

**VILLAGE OF BALDWIN, MICHIGAN**

**FEBRUARY 29, 2004**

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>VILLAGE OF BALDWIN</b>	County <b>LAKE</b>
Audit Date <b>2/29/04</b>	Opinion Date <b>6/17/04</b>	Date Accountant Report Submitted to State: <b>8/24/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report comments and recommendations.

You must check the applicable box for each item below.

- |   |   |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).  |

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).		✓	

Certified Public Accountant (Firm Name)

**Baird, Cotter & Bishop, P.C.**

Street Address

**134 W. Harris Street**

City

**Cadillac**

State

**MI**

ZIP

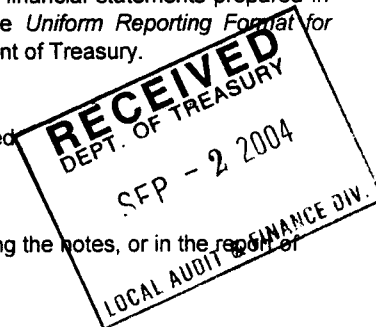
**49601**

Accountant Signature

*Jonathan Dandy CPA*

Date

**8-24-04**



VILLAGE OF BALDWIN, MICHIGAN  
FEBRUARY 29, 2004

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGES</u>
Independent Auditors' Report .....		1
 <u>GENERAL-PURPOSE FINANCIAL STATEMENTS</u>		
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Unit .....	1	2-3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Unit .....	2	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General and Special Revenue Fund Types .....	3	5
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types .....	4	6-7
Combined Statement of Cash Flows - All Proprietary Fund Types .....	5	8-9
Notes to Financial Statements .....		10-26
Independent Auditors' Report on Additional Information .....		27
 <u>FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS</u>		
	<u>STATEMENT</u>	
 <u>General Fund</u>		
Comparative Balance Sheet .....	A-1	28
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	A-2	29
Comparative Analysis of Revenues .....	A-3	30
Comparative Analysis of Expenditures .....	A-4	31-33
 <u>Special Revenue Funds</u>		
Combining Balance Sheet .....	B-1	34
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	B-2	35

VILLAGE OF BALDWIN, MICHIGAN

FEBRUARY 29, 2004

TABLE OF CONTENTS

	<u>STATEMENT</u>	<u>PAGES</u>
 <u>Major Street Fund</u>		
Comparative Balance Sheet .....	B-3	36
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	B-4	37-38
 <u>Local Street Fund</u>		
Comparative Balance Sheet .....	B-5	39
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	B-6	40-41
 <u>Fire Fund</u>		
Comparative Balance Sheet .....	B-7	42
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	B-8	43-44
 <u>1990 Housing Rehabilitation Fund</u>		
Comparative Balance Sheet .....	B-9	45
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance .....	B-10	46
 <u>Capital Projects Funds</u>		
<u>Hollister Park Capital Project Fund</u>		
Comparative Balance Sheet .....	C-1	47
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance .....	C-2	48
 <u>Enterprise Funds</u>		
Combining Balance Sheet .....	D-1	49
Combining Statement of Revenues, Expenses and Changes in Retained Earnings .....	D-2	50-51
Combining Statement of Cash Flows .....	D-3	52-53
 <u>Water Fund</u>		
Comparative Balance Sheet .....	D-4	54-55
Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual .....	D-5	56-57
Comparative Statement of Cash Flows .....	D-6	58

VILLAGE OF BALDWIN, MICHIGAN  
FEBRUARY 29, 2004

TABLE OF CONTENTS

	<u>STATEMENT</u>	<u>PAGES</u>
<u>Sewer Fund</u>		
Comparative Balance Sheet .....	D-7	59-60
Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual .....	D-8	61-62
Comparative Statement of Cash Flows .....	D-9	63
<u>Internal Service Funds</u>		
<u>Equipment Fund</u>		
Comparative Balance Sheet .....	E-1	64
Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual .....	E-2	65
Comparative Statement of Cash Flows .....	E-3	66
<u>Fiduciary Funds</u>		
<u>Imprest Payroll Fund</u>		
Comparative Balance Sheet .....	F-1	67
<u>Component Unit</u>		
<u>Downtown Development Authority Funds</u>		
Combining Balance Sheet .....	G-1	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	G-2	69
<u>Operating Fund</u>		
Comparative Balance Sheet .....	G-3	70
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance .....	G-4	71
<u>Debt Retirement Fund</u>		
Comparative Balance Sheet .....	G-5	72
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance .....	G-6	73

VILLAGE OF BALDWIN, MICHIGAN  
FEBRUARY 29, 2004

TABLE OF CONTENTS

OTHER INFORMATION

SCHEDULE

Statement of 2003 Property Tax Roll .....	1	74
Statement of 2003 Tax Increment Financing Tax Roll .....	2	75
Water Supply System Revenue Bonds Payable .....	3-4	76-80
Sanitary Sewer System Revenue Bonds Payable .....	5-6	81-86
Downtown Development Authority Tax Increment Bonds Payable .....	7	87-88

M. WAYNE BEATTIE, C.P.A.  
1902 - 1990  
JACK H. BAIRD, C.P.A.  
JERRY L. COTTER, C.P.A.  
DALE D. COTTER, C.P.A.

JOHN H. BISHOP, C.P.A.  
ROBERT V. BEATTIE, C.P.A.  
DOUGLAS P. McMULLEN, C.P.A.  
JOHN F. TAYLOR, C.P.A.  
STEVEN C. ARENDS, C.P.A.  
SCOTT A. HUNTER, C.P.A.  
JONATHAN E. DAMHOF, C.P.A.  
MICHAEL D. COOL, C.P.A.

# *Baird, Cotter and Bishop, P.C.*

CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2004

## INDEPENDENT AUDITORS' REPORT

To the President and Village Council  
Village of Baldwin, Michigan

We have audited the accompanying general-purpose financial statements of the Village of Baldwin, Michigan, as of February 29, 2004, and for the year then ended, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Village of Baldwin, Michigan's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Baldwin, Michigan, as of February 29, 2004, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 17, 2004, on our consideration of the Village of Baldwin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

BAIRD, COTTER AND BISHOP, P. C.

*Baird, Cotter & Bishop P.C.*

VILLAGE OF BALDWIN, MICHIGAN

COMBINED BALANCE SHEET

ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT

FEBRUARY 29, 2004

WITH COMPARATIVE TOTALS FOR FEBRUARY 28, 2003

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPES	
	GENERAL	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE
<u>ASSETS AND OTHER DEBITS</u>				
Cash	\$ 370,524	\$ 187,216	\$ 790,436	\$ 107,756
Receivable (Net, Where Applicable, of Allowances for Uncollectable)				
Taxes	31,040	0	0	0
Accounts	0	0	61,524	0
Accrued Interest	200	0	0	0
Due from Other Governments	19,375	57,951	126,433	0
Due from Component Unit	102,750	0	0	0
Due from Other Funds	34,008	4,382	2,405	0
Restricted Assets				
Cash	0	0	300,416	0
Fixed Assets (Net, Where Applicable, of Accumulated Depreciation)	0	0	13,005,882	75,700
Prepaid Expenses	13,734	13,779	10,991	4,209
Deferred Charges	0	0	29,414	0
<u>OTHER DEBITS</u>				
Amount Available in Debt Retirement Fund	0	0	0	0
Amount to be Provided for Retirement of Long-Term Debt	0	0	0	0
 TOTAL ASSETS	 \$ 571,631	 \$ 263,328	 \$ 14,327,501	 \$ 187,665



FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUPS		TOTALS	COMPONENT	TOTALS	2003
	GENERAL	GENERAL	(MEMORANDUM	UNIT	(MEMORANDUM	TOTALS
	FIXED	LONG-TERM	ONLY)	(DOWNTOWN	ONLY)	(MEMORANDUM
	ASSETS	DEBT	PRIMARY	DEVELOPMENT	REPORTING	REPORTING
			GOVERNMENT	AUTHORITY)	ENTITY	ENTITY
\$ 1,507	\$ 0	\$ 0	\$ 1,457,439	\$ 55,771	\$ 1,513,210	\$ 1,511,152
0	0	0	31,040	70,881	101,921	99,667
0	0	0	61,524	548	62,072	73,456
0	0	0	200	0	200	271
0	0	0	203,759	0	203,759	77,782
0	0	0	102,750	0	102,750	40,750
0	0	0	40,795	0	40,795	32,365
0	0	0	300,416	0	300,416	218,208
0	921,785	0	14,003,367	0	14,003,367	12,350,356
0	0	0	42,713	0	42,713	35,049
0	0	0	29,414	0	29,414	30,297
0	0	0	0	2,505	2,505	3,562
0	0	105,344	105,344	932,495	1,037,839	1,078,726
\$ 1,507	\$ 921,785	\$ 105,344	\$ 16,378,761	\$ 1,062,200	\$ 17,440,961	\$ 15,551,641

VILLAGE OF BALDWIN, MICHIGAN

COMBINED BALANCE SHEET  
ALL FUND TYPES, ACCOUNT GROUPS AND  
DISCRETELY PRESENTED COMPONENT UNIT

FEBRUARY 29, 2004  
WITH COMPARATIVE TOTALS FOR FEBRUARY 28, 2003

	<u>GOVERNMENTAL</u> <u>FUND TYPES</u>		<u>PROPRIETARY</u> <u>FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Expense	\$ 3,112	\$ 213	\$ 142,525	\$ 0
Due to Other Funds	4,275	14,069	15,663	4,617
Due to Primary Government	0	0	0	0
Deferred Revenue	31,040	0	384,624	0
Equipment Contract Payable	0	0	0	0
Revenue Bonds Payable	0	0	3,304,500	0
Total Liabilities	38,427	14,282	3,847,312	4,617
<u>FUND EQUITY AND OTHER CREDITS</u>				
Contributed Capital	0	0	5,695,926	15,037
Investment in General Fixed Assets	0	0	0	0
Retained Earnings	0	0	4,784,263	168,011
Fund Balance				
Reserved for:				
Community Development	0	47,002	0	0
Debt Service	0	0	0	0
Prepaid Expenses	13,734	13,779	0	0
Unreserved	519,470	188,265	0	0
Total Retained Earnings/ Fund Balances	533,204	249,046	4,784,263	168,011
Total Equity and Other Credits	533,204	249,046	10,480,189	183,048
<u>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</u>	\$ 571,631	\$ 263,328	\$ 14,327,501	\$ 187,665

The accompanying notes are an integral part of these financial statements.

FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUPS		TOTALS	COMPONENT	TOTALS	2003
	GENERAL	GENERAL	(MEMORANDUM	UNIT	(MEMORANDUM	TOTALS
	FIXED	LONG-TERM	ONLY)	(DOWNTOWN	ONLY)	(MEMORANDUM
	ASSETS	DEBT	PRIMARY	DEVELOPMENT	REPORTING	ONLY)
			GOVERNMENT	AUTHORITY)	ENTITY	REPORTING
						ENTITY
\$ (664)	\$ 0	\$ 0	\$ 145,186	\$ 0	\$ 145,186	\$ 330,904
2,171	0	0	40,795	0	40,795	32,365
0	0	0	0	102,750	102,750	40,750
0	0	0	415,664	8,779	424,443	450,576
0	0	105,344	105,344	0	105,344	117,288
0	0	0	3,304,500	935,000	4,239,500	3,049,000
1,507	0	105,344	4,011,489	1,046,529	5,058,018	4,020,883
0	0	0	5,710,963	0	5,710,963	5,860,387
0	921,785	0	921,785	0	921,785	918,514
0	0	0	4,952,274	0	4,952,274	3,960,370
0	0	0	47,002	0	47,002	47,027
0	0	0	0	2,505	2,505	3,562
0	0	0	27,513	0	27,513	23,276
0	0	0	707,735	13,166	720,901	717,622
0	0	0	5,734,524	15,671	5,750,195	4,751,857
0	921,785	0	12,367,272	15,671	12,382,943	11,530,758
\$ 1,507	\$ 921,785	\$ 105,344	\$ 16,378,761	\$ 1,062,200	\$ 17,440,961	\$ 15,551,641

VILLAGE OF BALDWIN, MICHIGAN

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT

YEAR ENDED FEBRUARY 29, 2004  
WITH COMPARATIVE TOTALS FOR YEAR ENDED FEBRUARY 28, 2003

	TOTALS (MEMORANDUM ONLY)		
	GENERAL	SPECIAL REVENUE	PRIMARY GOVERNMENT
<u>REVENUES</u>			
Taxes	\$ 151,036	\$ 0	\$ 151,036
Licenses and Permits	5,090	0	5,090
Grants	114,461	96,983	211,444
Charges for Services	646	103,579	104,225
Interest and Rents	4,543	18	4,561
Other Revenue	16,685	570	17,255
Total Revenues	292,461	201,150	493,611
<u>EXPENDITURES</u>			
Legislative	3,290	0	3,290
General Government	93,640	0	93,640
Public Safety	4,710	75,056	79,766
Public Works	59,704	77,117	136,821
Community and Economic Development	5,074	0	5,074
Recreation and Cultural	31,246	0	31,246
Other Functions	99,998	0	99,998
Capital Outlay	3,271	0	3,271
Debt Service	0	18,735	18,735
Total Expenditures	300,933	170,908	471,841
Excess of Revenues Over (Under) Expenditures	(8,472)	30,242	21,770
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	0	6,604	6,604
Operating Transfers Out	(6,604)	0	(6,604)
Sale of Fixed Assets	0	0	0
Proceeds from Bonds	0	0	0
Total Other Financing Sources (Uses)	(6,604)	6,604	0
Excess of Revenues Over (Under) Expenditures and Other Sources	(15,076)	36,846	21,770
<u>FUND BALANCE - Beginning of Year</u>	548,280	212,200	760,480
<u>FUND BALANCE - End of Year</u>	\$ 533,204	\$ 249,046	\$ 782,250

The accompanying notes are an integral part of these financial statements.

EXHIBIT 2

COMPONENT UNIT (DOWNTOWN DEVELOPMENT AUTHORITY)	TOTALS (MEMORANDUM ONLY) <u>REPORTING ENTITY</u>	2003 TOTALS (MEMORANDUM ONLY) <u>REPORTING ENTITY</u>
\$ 146,386	\$ 297,422	\$ 309,618
0	5,090	5,323
2,500	213,944	218,223
0	104,225	87,589
17	4,578	17,445
1,499	18,754	41,038
<u>150,402</u>	<u>644,013</u>	<u>679,236</u>
0	3,290	2,305
13,954	107,594	109,240
0	79,766	69,146
0	136,821	133,616
0	5,074	5,829
0	31,246	36,454
0	99,998	82,978
70,541	73,812	1,219,314
81,243	99,978	75,036
<u>165,738</u>	<u>637,579</u>	<u>1,733,918</u>
<u>(15,336)</u>	<u>6,434</u>	<u>(1,054,682)</u>
0	6,604	4,414
0	(6,604)	(4,414)
0	0	5,556
0	0	998,507
<u>0</u>	<u>0</u>	<u>1,004,063</u>
(15,336)	6,434	(50,619)
<u>31,007</u>	<u>791,487</u>	<u>842,106</u>
<u>\$ 15,671</u>	<u>\$ 797,921</u>	<u>\$ 791,487</u>

VILLAGE OF BALDWIN, MICHIGAN

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL AND SPECIAL REVENUE FUND TYPES

YEAR ENDED FEBRUARY 29, 2004

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Taxes	\$ 165,350	\$ 151,036	\$ (14,314)
Licenses and Permits	2,000	5,090	3,090
State Grants	104,500	114,461	9,961
Charges for Services	1,250	646	(604)
Interest and Rents	2,500	4,543	2,043
Other Revenue	45,250	16,685	(28,565)
Total Revenues	320,850	292,461	(28,389)
<u>EXPENDITURES</u>			
Legislative	57,500	3,290	54,210
General Government	96,000	93,640	2,360
Public Safety	0	4,710	(4,710)
Public Works	107,250	59,704	47,546
Community and Economic Development	25,000	5,074	19,926
Recreation and Cultural	40,000	31,246	8,754
Other Functions	17,500	99,998	(82,498)
Capital Outlay	0	3,271	(3,271)
Debt Service	0	0	0
Total Expenditures	343,250	300,933	42,317
Excess of Revenues Over (Under) Expenditures	(22,400)	(8,472)	13,928
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	0	0	0
Operating Transfers Out	0	(6,604)	(6,604)
Total Other Financing Sources (Uses)	0	(6,604)	(6,604)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(22,400)	(15,076)	7,324
<u>FUND BALANCE - Beginning of Year</u>	548,280	548,280	0
<u>FUND BALANCE - End of Year</u>	\$ 525,880	\$ 533,204	\$ 7,324

The accompanying notes are an integral part of these financial statements.

## EXHIBIT 3

## SPECIAL REVENUE FUND TYPES

BUDGET		ACTUAL		VARIANCE- FAVORABLE (UNFAVORABLE)
\$	0	\$	0	\$ 0
	0		0	0
	86,500		96,983	10,483
	86,000		103,579	17,579
	450		13	(437)
	2,500		0	(2,500)
	175,450		200,575	25,125
	0		0	0
	0		0	0
	86,880		75,056	11,824
	99,250		76,517	22,733
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		18,735	(18,735)
	186,130		170,308	15,822
	(10,680)		30,267	40,947
	23,950		6,604	(17,346)
	(12,000)		0	12,000
	11,950		6,604	(5,346)
	1,270		36,871	35,601
	165,173		165,173	0
\$	166,443	\$	202,044	\$ 35,601

VILLAGE OF BALDWIN, MICHIGAN

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES

YEAR ENDED FEBRUARY 29, 2004  
WITH COMPARATIVE TOTALS FOR YEAR ENDED FEBRUARY 28, 2003

	<u>PROPRIETARY FUND TYPES</u>	
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
<u>OPERATING REVENUES</u>		
Water and Sewer Billings	\$ 542,087	\$ 0
Hydrant Rental	2,960	0
Turn On Fees	1,260	0
Equipment Rental	0	62,039
Total Operating Revenues	546,307	62,039
<u>OPERATING EXPENSES</u>		
Wages and Fringe Benefits	135,376	0
Office Supplies	1,019	0
Postage	1,654	0
Legal Fees	165	0
Independent Audit	2,700	825
Contracted Services - Operations Assistant	7,687	0
Lab Fee - Samples	7,265	0
Operating Supplies	25,898	776
Sludge Removal	0	0
Insurance	12,860	3,293
Utilities	88,532	3,898
Communications	0	1,137
Repairs and Maintenance	28,104	19,954
Gasoline and Oil	0	6,239
Shop/Storage Building	0	0
Equipment Rentals	19,042	0
Alarm System Rent	3,699	0
Education and Training	1,065	0
Dues and Fees	575	0
Depreciation	280,661	19,816
Miscellaneous	1,650	0
Total Operating Expenses	617,952	55,938
Operating Income (Loss)	(71,645)	6,101



EXHIBIT 4

TOTALS  
(MEMORANDUM ONLY)

2004	2003
\$ 542,087	\$ 552,759
2,960	2,960
1,260	250
62,039	50,569
608,346	606,538
135,376	115,539
1,019	295
1,654	1,452
165	750
3,525	3,400
7,687	7,255
7,265	5,199
26,674	28,908
0	1,250
16,153	14,687
92,430	80,095
1,137	1,092
48,058	39,484
6,239	5,271
0	200
19,042	15,418
3,699	2,869
1,065	927
575	550
300,477	298,735
1,650	1,500
673,890	624,876
(65,544)	(18,338)

VILLAGE OF BALDWIN, MICHIGAN

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES

YEAR ENDED FEBRUARY 29, 2004  
WITH COMPARATIVE TOTALS FOR YEAR ENDED FEBRUARY 28, 2003

	<u>PROPRIETARY FUND TYPES</u>	
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Income	5,425	556
Interest Expense	(114,693)	0
Amortization Expense	(885)	0
Grants	1,017,171	0
Gain on Sale of Assets	0	0
Sewer Connection Fees	450	0
Total Nonoperating Revenues (Expenses)	907,468	556
Net Income	835,823	6,657
Depreciation on Fixed Assets Acquired by Grants and Shared Revenues Externally Restricted for Capital Acquisitions and Construction that Reduces Contributed Capital	149,424	0
<u>RETAINED EARNINGS - Beginning of Year</u>	3,799,016	161,354
<u>RETAINED EARNINGS - End of Year</u>	\$ 4,784,263	\$ 168,011

The accompanying notes are an integral part of these financial statements.

EXHIBIT 4

TOTALS  
(MEMORANDUM ONLY)

2004	2003
5,981	9,497
(114,693)	(99,406)
(885)	(885)
1,017,171	0
0	15,662
450	8,550
908,024	(66,582)
842,480	(84,920)
149,424	149,746
3,960,370	3,895,544
<u>\$ 4,952,274</u>	<u>\$ 3,960,370</u>

VILLAGE OF BALDWIN, MICHIGAN

COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES

YEAR ENDED FEBRUARY 29, 2004  
WITH COMPARATIVE TOTALS FOR YEAR ENDED FEBRUARY 28, 2003

	<u>PROPRIETARY FUND TYPES</u>	
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (71,645)	\$ 6,101
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities		
Depreciation	280,661	19,816
(Increase) Decrease in Current Assets		
Accounts Receivable	9,872	0
Grant Receivable	(126,433)	0
Prepaid Expenses	(2,103)	(1,324)
Due from Other Funds	(1,000)	0
Increase (Decrease) in Current Liabilities		
Accounts Payable	(199,396)	(296)
Due to Other Funds	4,361	1,732
Deferred Revenues	(8,869)	0
Net Cash Provided by (Used for) Operating Activities	(114,552)	26,029
<u>CASH FLOWS FROM CAPITAL AND</u>		
<u>RELATED FINANCING ACTIVITIES:</u>		
Accrued Interest Payable	14,700	0
Acquisition of Capital Assets	(1,913,147)	(37,071)
Sale of Capital Assets	0	0
Principal Paid on Revenue Bond Maturities	(33,500)	0
Proceeds from Revenue Bonds	1,254,000	0
Interest on Revenue Bonds	(114,693)	0
Sewer Connection Fees	450	0
Proceeds From Grants	1,017,171	0
Net Cash Provided by (Used for) Capital		
and Related Financing Activities	224,981	(37,071)

EXHIBIT 5

TOTALS  
(MEMORANDUM ONLY)

<u>2004</u>		<u>2003</u>	
\$	(65,544)	\$	(18,338)
	300,477		298,735
	9,872		(27,444)
	(126,433)		0
	(3,427)		(1,241)
	(1,000)		44,540
	(199,692)		120,249
	6,093		(65,086)
	(8,869)		0
	<u>(88,523)</u>		<u>351,415</u>
	14,700		(100)
	(1,950,218)		(391,126)
	0		15,662
	(33,500)		(31,000)
	1,254,000		0
	(114,693)		(99,406)
	450		8,550
	<u>1,017,171</u>		<u>0</u>
	187,910		(497,420)

VILLAGE OF BALDWIN, MICHIGAN

COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES

YEAR ENDED FEBRUARY 29, 2004  
WITH COMPARATIVE TOTALS FOR YEAR ENDED FEBRUARY 28, 2003

	<u>PROPRIETARY FUND TYPES</u>	
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest on Investments	5,425	556
Net Increase (Decrease) in Cash and Cash Equivalents	115,854	(10,486)
CASH AND CASH EQUIVALENTS - Beginning of Year	974,998	118,242
CASH AND CASH EQUIVALENTS - End of Year	\$ 1,090,852	\$ 107,756
<u>SUPPLEMENTAL CASH FLOW DISCLOSURES</u>		
Interest Paid During the Year	\$ 99,993	\$ 0

The accompanying notes are an integral part of these financial statements.

EXHIBIT 5

TOTALS  
(MEMORANDUM ONLY)

2004	2003
5,981	9,497
105,368	(136,508)
1,093,240	1,229,748
\$ 1,198,608	\$ 1,093,240
\$ 99,993	\$ 99,506

VILLAGE OF BALDWIN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

FEBRUARY 29, 2004

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Village of Baldwin, Michigan, is a general law village incorporated under the General Village Act of 1895. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units on the other hand, are reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each discretely presented component unit has a February 29 year end.

BLENDING COMPONENT UNITS

The Village has no blended component units.

DISCRETELY PRESENTED COMPONENT UNITS

Downtown Development Authority (DDA) - The DDA was established pursuant to the provisions of Act No. 197 of the Public Acts of Michigan, 1975. The members of the governing board of the Downtown Development Authority are appointed by the Village council. The Authority's operational and capital budgets must be approved by the Village council.

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The accounts of the Village are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.



VILLAGE OF BALDWIN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

The Village has the following fund types and account groups:

Governmental funds are used to account for the Village's general government activities. Governmental fund types use the flow of financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest are susceptible to accrual. Sales taxes collected and held by the state at year end on behalf of the Village are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the Village and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Funds account for revenue sources that are legally restricted to expenditures for specified purposes.

The Capital Projects Funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Proprietary Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The government applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations which were issued through November 30, 1989. Proprietary funds include the following fund types:

VILLAGE OF BALDWIN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal Service Funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement.

The Agency Fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for other funds of the Village in an agency capacity.

ACCOUNT GROUPS

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in proprietary or trust funds. The General Long-Term Debt Account Group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

**C. Assets, Liabilities and Equity**

**1. Deposits and Investments**

State statutes authorize the Village to invest funds as follows:

- (I) (a) In bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- (b) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (II).
- (c) In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- (d) In repurchase agreements consisting of instruments listed in subdivision (a).
- (e) In bankers' acceptances of United States banks.

VILLAGE OF BALDWIN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

- (f) In obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
- (g) Mutual funds registered under the Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:
  - (i) The purchase of securities on a when-issued or delayed delivery basis.
  - (ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
  - (iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
- (h) In obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
- (i) In investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.11 to 129.118.
- (j) In the investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.
- (II) A public corporation that invests its funds under subsection (I) shall not deposit or invest the funds in a financial institution that is not eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- (III) Assets acceptable for pledging to secure deposits of public funds are limited to assets authorized for direct investment under subsection (I).
- (IV) As used in this section, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.

VILLAGE OF BALDWIN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Property taxes attach as an enforceable lien on the property as of the date they are levied. Village taxes are levied and due July 1, and become delinquent after September 15. Village property tax revenues are recognized when they become both measurable and available for use to finance Village operations. Amounts which are not expected to be collected within sixty days are treated as deferred revenues.

3. Inventories and Prepaid Items

The Village does not maintain any material inventories.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Restricted Assets

The Village's water rate ordinance requires that a sum proportionally sufficient to provide for the payment of the next maturing principal and interest payment be set aside in a Bond and Interest Redemption Account. As of February 29, 2004, \$39,040 had been set aside for this purpose. The water ordinance further requires that \$700 per quarter be set aside in a Water Bond Reserve Fund until the fund reaches a maximum balance of \$27,150. As of February 29, 2004, the fund had \$ 107,084 in it. The ordinance further requires that a General-Purpose Account be established for the purpose of paying the cost of repairing any damage to the system caused by any unforeseen catastrophe, for making extensions to the system and, when needed, for making bond and interest payments. The fund does not have a specific time table for deposits to be made and need not exceed \$45,000. As of February 29, 2004, the fund had \$ 0 in it.

The 2003 Water Supply System Revenue bond requires an annual reserve of \$22,100. This amount must be deposited each year for the life of the loan. \$7,100 of this amount must be deposited in the Bond Reserve Account each year until \$71,000 is accumulated. As of February 29, 2004, this fund had \$71,372 in it. The remaining \$15,000 must be deposited in a Repair, Replacement and Improvement Fund. When the Bond Reserve is fully funded, the entire \$22,100 annual requirement must be deposited in the Repair, Replacement and Improvement Fund for the life of the loan. As of February 29, 2004, this fund had \$0 in it.

VILLAGE OF BALDWIN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

The Village's sewer ordinance requires that a sum proportionally sufficient to provide for the payment of the next maturing principal and interest payment on the revenue bonds be set aside in a Bond and Interest Redemption Account. As of February 29, 2004, \$10,968 had been set aside for this purpose. The sewer ordinance further requires that commencing on September 1, 1997 a Bond Reserve Account be established and at least \$1,288 be placed in this account each quarter until it contains the sum of \$51,500. The 1999 Sewer Bond requires that effective March 1, 2000, \$1,500 be placed in a Bond Reserve Account each quarter. As of February 29, 2004, this account had \$128,819 in it. There is also \$14,505 in a replacement account.

5. Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund types (general fixed assets) are accounted for in the General Fixed Assets Account Group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the General Fixed Assets Account Group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the General Fixed Assets Account Group or capitalized in the proprietary funds.

Property, plant and equipment in the proprietary funds of the government are recorded at cost. Property, plant and equipment donated to these proprietary fund type operations are recorded at their estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized in the proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment are depreciated in the proprietary funds of the government using the straight-line method over the following estimated useful lives:

Buildings and Structures	33-50 Years
Wells and Pumps	20 Years
Equipment	7-20 Years

VILLAGE OF BALDWIN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

FEBRUARY 29, 2004

6. Compensated Absences

Accumulated unpaid vacation, sick pay, and other employee benefit amounts are not accrued in proprietary funds or in governmental funds (using the modified accrual basis of accounting). Accumulated amounts are immaterial and do not exceed normal annual amounts.

7. Long-Term Obligations

The Village reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

8. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

9. Memorandum Only - Total Columns

Total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Interfund elimination's have not been made in the aggregation of this data.

VILLAGE OF BALDWIN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

10. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the government's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

**A. Budgetary Information**

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. By March 1, the Village treasurer submits, to the Village Council, proposed operating budgets for all funds of the Village for the fiscal year.
2. The Village Council adopts a resolution approving the budgets.
3. All transfers of budget amounts between departments within any fund and any revisions that alter the total expenditures of any fund must be approved by the Village Council.
4. During the year, the budget is monitored and amendments to the budget are made when it is deemed necessary.
5. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). With the exception of the Housing Rehabilitation Fund and the Capital Projects Funds, all appropriations lapse at year-end. Budgeted amounts are as originally adopted, or as amended by the Village Council from time to time throughout the year.
6. Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Village because, at present, it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

**B. Budget/GAAP Reconciliation**

The Housing Rehabilitation Fund has no budget for the year ended February 29, 2004. Therefore, this fund was not included in the amounts reported in the Special Revenue Fund Types columns on Exhibit 3. Actual amounts for the Special Revenue Fund Types on Exhibits 2 and 3 can be reconciled as follows:

VILLAGE OF BALDWIN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

	FUNDS WITH ANNUAL BUDGETS (EXHIBIT 3)	HOUSING REHABILITATION FUND	TOTAL SPECIAL REVENUE FUND TYPES (EXHIBIT 2)
Revenues	\$ 200,575	\$ 575	\$ 201,150
Expenditures	170,308	600	170,908
Excess of Revenues Over (Under) Expenditures	30,267	(25)	30,242
Other Financing Sources	6,604	0	6,604
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	36,871	(25)	36,846
Beginning Fund Balance	165,173	47,027	212,200
Ending Fund Balance	\$ 202,044	\$ 47,002	\$ 249,046

**C. Use of Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**D. Expenditures in Excess of Appropriations**

The following funds had expenditures in excess of appropriations:

	APPROPRIATIONS	ACTUAL EXPENDITURES	DIFFERENCE
Fire Fund	\$ 86,880	\$ 93,791	\$ (6,911)



VILLAGE OF BALDWIN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

**A. Deposits**

The Village's deposits are owned by several of the Village's funds. At year-end, the carrying amount of the primary government's deposits was \$1,757,855 and the bank balance was \$1,926,247. Of the bank balance, \$521,361 was covered by federal depository insurance. The carrying amount of the component unit deposits at year end was \$55,771 and the bank balance was \$55,771. Of the bank balance, \$55,771 was covered by federal depository insurance.

The Village's bank balance deposits at year-end are shown below:

	FDIC INSURED	UNINSURED/ UNCOLLATERALIZED	TOTALS
Primary Government:			
Interest-bearing and Non-interest bearing Accounts	\$ 221,361	\$ 1,079,369	\$ 1,300,730
Certificates of Deposit	300,000	325,517	625,517
Total Primary Government	521,361	1,404,886	1,926,247
Component Unit:			
Downtown Development Authority Interest Bearing Accounts	55,771	0	55,771
Total - Reporting Entity	\$ 577,132	\$ 1,404,886	\$ 1,982,018

**B. Receivables**

By ordinance, the Village can place substantially all of its delinquent receivables on the tax rolls as a lien against real property. As a result, its uncollectible accounts are virtually nil. In addition, the noncurrent portion of property taxes is deferred. Therefore, the Village has not found it necessary to make any allowances for uncollectibles.

VILLAGE OF BALDWIN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

FEBRUARY 29, 2004

**C. Due From Other Governments**

The \$203,759 due from other governments represents payments from the State of Michigan for various state revenue sharing payments received within sixty days of the balance sheet date and the undrawn portion of a federal grant.

**D. Fixed Assets**

A summary of changes in General Fixed Assets for the Primary Government follows:

	BALANCE 3/1/03	ADDITIONS	DEDUCTIONS	BALANCE 2/28/04
Land	\$ 144,505	\$ 0	\$ 0	\$ 144,505
Land Improvements	124,454	1,450	0	125,904
Buildings	133,564	0	0	133,564
Fire Equipment	499,449	0	0	499,449
Other Equipment	16,542	1,821	0	18,363
<b>TOTALS</b>	<b>\$ 918,514</b>	<b>\$ 3,271</b>	<b>\$ 0</b>	<b>\$ 921,785</b>

A summary of Primary Government proprietary fund type fixed assets at February 29, 2004 follows:

	ENTERPRISE	INTERNAL SERVICE
Land	\$ 49,080	\$ 0
Machinery and Equipment	43,315	312,872
Water System Improvements	1,812,720	0
Sewer System Improvements	10,973,540	0
Project Under Construction	2,263,133	0
<b>Total</b>	<b>\$ 15,141,788</b>	<b>\$ 312,872</b>
<b>Less Accumulated Depreciation</b>	<b>(2,135,906)</b>	<b>(237,172)</b>
<b>Net</b>	<b>\$ 13,005,882</b>	<b>\$ 75,700</b>

VILLAGE OF BALDWIN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

**E. Interfund Receivables and Payables**

Interfund receivable and payable balances at February 29, 2004 were:

<u>FUND</u>	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$ 34,008	\$ 4,275
Major Street Fund	0	352
Local Street Fund	4,151	0
Fire Fund	107	13,717
1990 Rehabilitation Fund	124	0
Water Fund	638	3,981
Sewer Fund	1,767	11,682
Equipment Fund	0	4,617
Imprest Payroll Fund	0	2,171
Hollister Park	0	0
	<u>\$ 40,795</u>	<u>\$ 40,795</u>
Due To/From Primary Government and Component Units		
Primary Government		
General Fund	\$ 102,750	\$ 0
Component Unit		
Downtown Development Authority	0	102,750
	<u>\$ 102,750</u>	<u>\$ 102,750</u>

**F. Long-Term Debt**

**Primary Government**

The following is a summary of the long-term debt transactions of the Village for the year ended February 29, 2004:

	<u>EQUIPMENT CONTRACTS</u>	<u>WATER REVENUE BONDS</u>	<u>SEWER REVENUE BONDS</u>	<u>TOTALS</u>
Long-Term Debt Payable at March 1, 2003	\$ 117,288	\$ 290,000	\$ 1,794,000	\$ 2,201,288
New Debt	0	1,254,000	0	1,254,000
Debt Retired	(11,944)	(12,000)	(21,500)	(45,444)
Long-Term Debt Payable at February 29, 2004	<u>\$ 105,344</u>	<u>\$ 1,532,000</u>	<u>\$ 1,772,500</u>	<u>\$ 3,409,844</u>

VILLAGE OF BALDWIN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

Long-term debt payable at February 29, 2004, is comprised of the following individual issues:

Revenue Bonds

\$455,000 Water Supply System Revenue Bonds due in annual installments of \$12,000 to \$27,000 plus semi-annual interest payments at 5.00% through January 1, 2019 \$ 278,000

\$1,254,000 Water Supply System Reserve Bonds due in annual installments of \$7,000 to \$73,000 plus semi-annual interest payments at 4.25% through May 1, 2043 1,254,000

\$855,000 Sanitary Sewer System Revenue Bonds due in annual installments of \$10,500 to \$48,000 plus semi-annual interest payments at 5.00% through March 1, 2036 794,500

\$1,016,000 Sanitary Sewer System Revenue Bonds due in annual installments of \$11,000 to \$54,000 plus semi-annual interest payments at 4.375% through March 1, 2039 978,000

Equipment Contract

\$139,274 to purchase a Fire Truck due in annual installments of \$18,735 including interest at 5.79% through November 5, 2010 105,344

Total Primary Government \$ 3,409,844

The annual payments to amortize all debt outstanding as of February 29, 2004, including interest payments of \$3,414,175, are as follows:

YEAR ENDING FEBRUARY 28,	PRIMARY GOVERNMENT			TOTAL REVENUE BONDS
	EQUIPMENT CONTRACTS	WATER REVENUE BONDS	SEWER REVENUE BONDS	
2005	\$ 18,735	\$ 80,195	\$ 104,012	\$ 202,942
2006	18,735	86,397	105,006	210,138
2007	18,735	86,449	103,906	209,090
2008	18,735	86,451	103,806	208,992
2009	18,735	86,404	104,662	209,801
2010 - 2043	37,430	2,713,569	3,032,057	5,783,056
	<u>\$ 131,105</u>	<u>\$ 3,139,465</u>	<u>\$ 3,553,449</u>	<u>\$ 6,824,019</u>

\$146,124 is available in the Water Fund and \$139,787 is available in the Sewer Fund to service the revenue bonds.

VILLAGE OF BALDWIN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

FEBRUARY 29, 2004

**Component Unit**

The following is a summary of the long-term debt transactions of the Downtown Development Authority for the year ended February 29, 2004:

	<u>TOTALS</u>
Long-Term Debt Payable at March 1, 2003	\$ 965,000
Debt Retired	<u>(30,000)</u>
Long-Term Debt Payable at February 29, 2004	<u>\$ 935,000</u>

Long-term debt payable at February 29, 2004, is comprised of the following individual issue:

**Tax Increment Bond**

\$995,000 Downtown Development Authority Tax Increment Bonds due in annual installments of \$30,000 to \$85,000 plus semi-annual interest payments at 5.00% - 5.50% through October 1, 2019

\$ 935,000

The annual payments to amortize all debt outstanding as of February 29, 2004, including interest payments of \$476,980 are as follows:

<u>YEAR ENDING FEBRUARY 28,</u>	<u>TAX INCREMENT REVENUE BONDS</u>
2005	\$ 79,304
2006	87,654
2007	85,454
2008	83,254
2009	91,054
2010 - 2020	<u>985,260</u>
	<u>\$ 1,411,980</u>

\$2,505 is available in Downtown Development Authority Debt Retirement Fund to service the revenue bonds.

VILLAGE OF BALDWIN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

**G. Contributed Capital**

During the year, contributed capital changed by the following amounts:

	WATER FUND	SEWER FUND	EQUIPMENT FUND
Contributed Capital, March 1, 2003	\$ 407,347	\$ 5,438,003	\$ 15,037
Depreciation on Fixed Assets Acquired by Grants and Shared Revenues Externally Restricted for Capital Acquisitions and Construction that Reduces Contributed Capital	(20,299)	(129,125)	0
Contributed Capital, February 29, 2004	\$ 387,048	\$ 5,308,878	\$ 15,037

**H. Segment Information for Enterprise Funds**

The Village maintains two Enterprise Funds that provide water and sewer services. Each fund represents one segment. Segment information for the year ended February 29, 2004 was as follows:

	WATER	SEWER	TOTAL
Operating Revenues	\$ 152,714	\$ 393,593	\$ 546,307
Depreciation	44,127	236,534	280,661
Operating Income (Loss)	6,501	(78,146)	71,645
Nonoperating Revenues (Expenses)	987,854	(80,386)	907,468
Net Income (Loss)	994,355	(158,532)	835,823
Proceeds from Grants	1,017,171	0	1,017,171
Total Identifiable Assets	3,564,782	10,762,719	14,327,501
Property and Equipment Additions	1,912,346	801	1,913,147
Working Capital	174,320	676,381	850,701
Long-Term Debt (Payable from Operating Revenues)	1,532,000	1,772,500	3,304,500
Total Equity	1,886,276	8,593,913	10,480,189

**I. Statement of Cash Flows**

For purposes of the statement of cash flows, the proprietary and nonexpendable trust funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

VILLAGE OF BALDWIN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

**J. Employee Retirement**

The Village participates in a defined contribution plan administered by Nationwide Life Insurance Company. The employees can contribute up to 15 percent of their salaries and wages. The employer is required to match the contribution equal to the employee's salary reduction contribution up to a limit of 3 percent of the employee's compensation for the year.

For the fiscal year ended February 29, 2004, actual contributions by the Village were \$5,528.

At February 29, 2004, the Village had 6 participants in the defined contribution plan.

The Village also contributed an additional \$7,519 to the individual retirement accounts or simple accounts of 6 employees.

For the 2003-2004 year, covered compensation was \$184,257 and the total of all wages including noncovered wages was \$217,697.

**K. Contingent Liabilities**

The Village participates in a number of state and federally assisted grant programs. The Village's compliance with applicable grant requirements has not been established as of the date of this report. The amount, if any, of expenditures which may be disallowed by granting agencies, cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

**L. Interest Income and Interest Expense**

Individual fund interest income and interest expense for the primary government for the year ending February 29, 2004, was:

<u>FUND</u>	<u>INTEREST INCOME</u>	<u>INTEREST EXPENSE</u>
General Fund	\$ 4,543	\$ 0
Special Revenue Funds		
Major Street Fund	5	0
Local Street Fund	1	0
Fire Fund	7	6,791
1990 Housing Rehabilitation Fund	5	0
Enterprise Funds		
Water Fund	1,857	31,174
Sewer Fund	3,568	83,519
Internal Service Funds		
Equipment Fund	556	0
	<u>\$ 10,542</u>	<u>\$ 121,484</u>

VILLAGE OF BALDWIN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 2004

Interest income and interest expense for the component unit for the year ending February 29, 2004, were:

<u>COMPONENT UNIT</u>	<u>INTEREST INCOME</u>	<u>INTEREST EXPENSE</u>
Downtown Development Authority	\$ 17	\$ 50,953

IV. OTHER INFORMATION

**A. Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The Village participates in two distinct pools of municipalities within the State of Michigan for self-insuring property and casualty and worker's disability compensation. The pools are considered public entity risk pools. The Village pays annual premiums to each pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. Each of the pools maintain reinsurance for claims in excess of \$500,000 for each occurrence with the overall maximum coverage being unlimited. The Village has not been informed of any special assessments being required for the current year or the three prior years.

The Village continued to carry commercial insurance for other risks of loss, including employee health and accident insurance.

**B. Property Taxes**

The Village levied 14.785 mills on a state taxable valuation of \$8,788,541, on the 2003 tax roll.



*Baird, Cotter and Bishop, P.C.*

JOHN H. BISHOP, C.P.A.  
ROBERT V. BEATTIE, C.P.A.  
DOUGLAS P. McMULLEN, C.P.A.  
JOHN F. TAYLOR, C.P.A.  
STEVEN C. ARENDS, C.P.A.  
SCOTT A. HUNTER, C.P.A.  
JONATHAN E. DAMHOF, C.P.A.  
MICHAEL D. COOL, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2004

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

To the President and Village Council  
Village of Baldwin, Michigan

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the Village of Baldwin, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

BAIRD, COTTER AND BISHOP, P. C.

*Baird, Cotter & Bishop, P.C.*

VILLAGE OF BALDWIN, MICHIGANGENERAL FUND  
COMPARATIVE BALANCE SHEET

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>ASSETS</u>		
Cash	\$ 370,524	\$ 446,463
Receivable		
Taxes	31,040	36,993
Accrued Interest	200	271
Accounts	0	102
Due from Other Governments	19,375	21,682
Due from Other Funds		
Local Street Fund	0	446
Major Street Fund	352	336
Equipment Fund	4,617	2,885
Fire Fund	13,717	11,530
Water Fund	2,982	1,492
Sewer Fund	11,682	9,810
Payroll Fund	658	3,788
Due from Component Unit		
Downtown Development Authority	102,750	40,750
Prepaid Expenses	13,734	11,808
TOTAL ASSETS	\$ 571,631	\$ 588,356
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 17	\$ 478
Due to Other Funds		
Local Street Fund	4,151	0
1990 Housing Rehabilitation Fund	124	124
Accrued Wages	3,095	2,481
Deferred Revenue	31,040	36,993
Total Liabilities	38,427	40,076
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenses	13,734	11,808
Unreserved		
Undesignated	519,470	536,472
Total Fund Balance	533,204	548,280
TOTAL LIABILITIES AND FUND BALANCE	\$ 571,631	\$ 588,356

## VILLAGE OF BALDWIN, MICHIGAN

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

YEAR ENDED FEBRUARY 29, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED FEBRUARY 28, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES - STATEMENT A-3</u>			
Taxes	\$ 165,350	\$ 151,036	\$ 155,014
Licenses and Permits	2,000	5,090	5,323
State Grants	104,500	114,461	125,700
Charges for Services	1,250	646	742
Interest and Rents	2,500	4,543	7,746
Other Revenues	45,250	16,685	22,351
Total Revenues	320,850	292,461	316,876
<u>EXPENDITURES - STATEMENT A-4</u>			
Legislative	57,500	3,290	2,305
General Government	96,000	93,640	83,950
Public Safety	0	4,710	4,710
Public Works	107,250	59,704	67,698
Community and Economic Development	25,000	5,074	5,829
Recreation and Cultural	40,000	31,246	36,454
Other Functions	17,500	99,998	82,378
Capital Outlay	0	3,271	23,500
Total Expenditures	343,250	300,933	306,824
Excess of Revenues Over (Under) Expenditures	(22,400)	(8,472)	10,052
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	0	0	4,414
Operating Transfers Out	0	(6,604)	0
Sale of Fixed Assets	0	0	5,556
Total Other Financing Sources (Uses)	0	(6,604)	9,970
Excess of Revenues Over (Under) Expenditures and Other Sources (Uses)	(22,400)	(15,076)	20,022
<u>FUND BALANCE - Beginning of Year</u>	548,280	548,280	528,258
<u>FUND BALANCE - End of Year</u>	\$ 525,880	\$ 533,204	\$ 548,280

VILLAGE OF BALDWIN, MICHIGANGENERAL FUND  
COMPARATIVE ANALYSIS OF REVENUESYEAR ENDED FEBRUARY 29, 2004

	2004	2003
<u>TAXES</u>		
Current Property Tax Collections	\$ 106,290	\$ 94,619
Delinquent Property Tax Collections	28,014	45,081
Payments in Lieu of Taxes - Housing Commission	11,767	11,144
Penalties and Interest	3,260	2,678
Property Tax Administrative Fee	1,705	1,492
Total Taxes	151,036	155,014
<u>LICENSES AND PERMITS</u>		
Non-business Licenses	0	100
Land and Zoning Permits	5,090	5,223
Total Licenses and Permits	5,090	5,323
<u>STATE GRANTS</u>		
Sales and Use Tax	114,461	125,700
<u>CHARGES FOR SERVICES</u>		
Building Inspections	500	275
Solid Waste Collection	146	467
Total Charges for Services	646	742
<u>INTEREST AND RENTS</u>		
Interest	4,543	7,746
<u>OTHER REVENUE</u>		
Contributions from Private Sources	16,147	21,415
Refunds and Miscellaneous	538	936
Total Other Revenue	16,685	22,351
TOTAL REVENUES	\$ 292,461	\$ 316,876

VILLAGE OF BALDWIN, MICHIGANGENERAL FUNDCOMPARATIVE ANALYSIS OF EXPENDITURESYEAR ENDED FEBRUARY 29, 2004

	2004	2003
<u>LEGISLATIVE</u>		
Village Council		
Salaries and Wages	\$ 3,290	\$ 2,305
<u>GENERAL GOVERNMENT</u>		
Village President		
Salary	7,500	7,500
Miscellaneous	28	0
Total Village President	7,528	7,500
Independent Audit	2,300	2,200
Attorney		
Legal Fees	13,111	19,712
Clerk		
Salaries and Wages	2,400	2,400
Office Supplies	425	0
Dues and Publications	0	1,224
Total Clerk	2,825	3,624
Treasurer		
Office Manager Salary	8,574	9,080
Office Supplies	510	0
Education and Training	325	0
Tax Abatements	4,716	378
Total Treasurer	14,125	9,458
General Village		
Utilities	3,259	1,510
Repairs and Maintenance	454	0
Office Supplies	1,604	3,339
Postage	781	1,238
Operating Supplies	1,908	4,179
Professional Services	22,667	22,525
Contracted Services	15,548	2,588
Telephone	2,060	1,805
Printing and Publishing	3,099	3,650

VILLAGE OF BALDWIN, MICHIGANGENERAL FUNDCOMPARATIVE ANALYSIS OF EXPENDITURESYEAR ENDED FEBRUARY 29, 2004

	2004	2003
Rentals	1,038	552
Education and Training	16	0
Dues and Fees	1,215	70
Miscellaneous	102	0
Total General Village	53,751	41,456
Total General Government	93,640	83,950
<u>PUBLIC SAFETY</u>		
Fire Protection		
Hydrant Rental	2,960	2,960
Salaries and Wages	1,750	1,750
Total Public Safety	4,710	4,710
<u>PUBLIC WORKS</u>		
Department of Public Works		
Salaries	21,916	27,398
Equipment Rental	11,513	15,150
Operating Supplies	3,635	1,611
Contracted Services	380	2,653
Repairs and Maintenance	867	805
Municipal Airport	1,612	0
Street Lighting	15,378	16,352
Sanitation		
Contracted Services	4,403	3,729
Total Department of Public Works	59,704	67,698
<u>COMMUNITY AND ECONOMIC DEVELOPMENT</u>		
Planning and Zoning Board		
Salaries and Wages	3,879	5,572
Office Supplies	987	242
Dues and Fees	208	15
Total Community and Economic Development	5,074	5,829

VILLAGE OF BALDWIN, MICHIGANGENERAL FUNDCOMPARATIVE ANALYSIS OF EXPENDITURESYEAR ENDED FEBRUARY 29, 2004

	<u>2004</u>	<u>2003</u>
<u>RECREATION AND CULTURAL</u>		
Parks		
Salaries and Wages	9,614	11,529
Operating Supplies	16	149
Contracted Services		
Wenger Pavilion	19,220	21,386
Other	1,300	2,280
Utilities	684	660
Repairs and Maintenance	0	450
Printing and Publishing	412	0
Total Parks	<u>31,246</u>	<u>36,454</u>
<u>OTHER FUNCTIONS</u>		
Fringe Benefits		
Social Security	4,796	4,635
Medicare	932	952
Michigan Unemployment	952	1,873
Retirement	13,047	12,708
Health and Life Insurance	63,243	45,118
Workers Compensation	2,052	3,286
Insurance and Bonds	12,550	11,428
Festivals and Celebrations	580	533
Christmas Decorations	1,846	1,845
Total Other Functions	<u>99,998</u>	<u>82,378</u>
<u>CAPITAL OUTLAY</u>		
Equipment	3,271	12,468
Land	0	11,032
Total Capital Outlay	<u>3,271</u>	<u>23,500</u>
TOTAL EXPENDITURES	<u>\$ 300,933</u>	<u>\$ 306,824</u>

VILLAGE OF BALDWIN, MICHIGAN

SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

FEBRUARY 29, 2004  
WITH COMPARATIVE TOTALS FOR FEBRUARY 28, 2003

	MAJOR STREET FUND	LOCAL STREET FUND	FIRE FUND
<u>ASSETS</u>			
Cash	\$ 67,529	\$ 4,376	\$ 68,433
Due from Other Governmental Units	11,081	7,004	39,866
Due from Other Funds	0	4,151	107
Prepaid Expenses	49	64	13,666
TOTAL ASSETS	\$ 78,659	\$ 15,595	\$ 122,072
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 213
Due to Other Funds	352	0	13,717
Total Liabilities	352	0	13,930
<u>FUND BALANCE</u>			
Reserved for:			
Community Development	0	0	0
Prepaid Expenses	49	64	13,666
Unreserved	78,258	15,531	94,476
Total Fund Balance	78,307	15,595	108,142
TOTAL LIABILITIES AND FUND BALANCE	\$ 78,659	\$ 15,595	\$ 122,072



STATEMENT B-1

1990 HOUSING REHABILITATION FUND	TOTALS (MEMORANDUM ONLY)	
	2004	2003
\$ 46,878	\$ 187,216	\$ 158,994
0	57,951	56,100
124	4,382	232
0	13,779	11,468
<hr/>		
\$ 47,002	\$ 263,328	\$ 226,794
<hr/>		
\$ 0	\$ 213	\$ 1,841
0	14,069	12,753
<hr/>		
0	14,282	14,594
<hr/>		
47,002	47,002	47,027
0	13,779	11,468
0	188,265	153,705
<hr/>		
47,002	249,046	212,200
<hr/>		
\$ 47,002	\$ 263,328	\$ 226,794
<hr/>		

VILLAGE OF BALDWIN, MICHIGAN

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED FEBRUARY 29, 2004

WITH COMPARATIVE TOTALS FOR YEAR ENDED FEBRUARY 28, 2003

	MAJOR STREET FUND	LOCAL STREET FUND	FIRE FUND
<u>REVENUES</u>			
State Grants	\$ 59,387	\$ 37,596	\$ 0
Charges for Services	0	0	103,579
Interest and Rents	5	1	7
Other Revenue	0	0	0
Total Revenues	59,392	37,597	103,586
<u>EXPENDITURES</u>			
Public Safety	0	0	75,056
Public Works	31,344	45,173	0
Debt Service	0	0	18,735
Total Expenditures	31,344	45,173	93,791
Excess of Revenues Over (Under) Expenditures	28,048	(7,576)	9,795
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	0	4,604	2,000
Excess of Revenues Over (Under) Expenditures and Other Sources (Uses)	28,048	(2,972)	11,795
<u>FUND BALANCE - Beginning of Year</u>	50,259	18,567	96,347
<u>FUND BALANCE - End of Year</u>	\$ 78,307	\$ 15,595	\$ 108,142

STATEMENT B-2

1990 HOUSING REHABILITATION FUND	TOTALS (MEMORANDUM ONLY)	
	2004	2003
\$ 0	\$ 96,983	\$ 92,523
0	103,579	86,847
5	18	517
570	570	887
575	201,150	180,774
0	75,056	64,436
600	77,117	65,918
0	18,735	18,735
600	170,908	149,089
(25)	30,242	31,685
0	6,604	0
(25)	36,846	31,685
47,027	212,200	180,515
\$ <u>47,002</u>	\$ <u>249,046</u>	\$ <u>212,200</u>

VILLAGE OF BALDWIN, MICHIGANMAJOR STREET FUND  
COMPARATIVE BALANCE SHEET

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>ASSETS</u>		
Cash	\$ 67,529	\$ 40,100
Due from Other Governments	11,081	10,586
Prepaid Expenses	49	38
TOTAL ASSETS	<u>\$ 78,659</u>	<u>\$ 50,724</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds		
General Fund	\$ 352	\$ 336
Payroll Fund	0	129
Total Liabilities	<u>352</u>	<u>465</u>
<u>FUND BALANCE</u>		
Reserved for Prepaid Expenses	49	38
Unreserved	<u>78,258</u>	<u>50,221</u>
Total Fund Balance	<u>78,307</u>	<u>50,259</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 78,659</u>	<u>\$ 50,724</u>

VILLAGE OF BALDWIN, MICHIGAN

MAJOR STREET FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

YEAR ENDED FEBRUARY 29, 2004  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED FEBRUARY 28, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
State Grants			
Motor Vehicle Highway Fund-Act 51	\$ 47,500	\$ 59,387	\$ 56,489
Interest and Rents			
Interest	100	5	99
Total Revenues	47,600	59,392	56,588
<u>EXPENDITURES</u>			
Public Works			
Street Construction	13,000	2,914	0
Routine Maintenance			
Salaries and Wages	6,000	4,429	3,825
Employee Benefits (FICA)	600	454	407
Materials and Supplies	0	979	100
Equipment Rental	9,000	11,605	5,263
Sweeping	500	575	475
Repairs & Maintenance	2,500	0	0
Winter Maintenance			
Salaries and Wages	0	4,961	5,480
Employee Benefits (FICA)	0	337	419
Equipment Rental	0	1,525	2,627
Administration and General			
Salaries and Wages	1,500	1,500	1,500
Workers' Compensation	0	340	338
Operating Supplies	250	0	16
Independent Audit	800	825	800
Legal Fees	250	0	0
Engineering	5,000	260	9,003
Traffic Signs and Signals	800	640	176
Total Expenditures	40,200	31,344	30,429
Excess of Revenues Over (Under) Expenditures	7,400	28,048	26,159

VILLAGE OF BALDWIN, MICHIGANMAJOR STREET FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUALYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED FEBRUARY 28, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers Out			
Local Street Fund	(12,000)	0	(14,317)
Operating Transfers In			
General Fund	5,000	0	0
Total Other Financing Sources (Uses)	(7,000)	0	(14,317)
Excess of Revenues Over (Under)			
Expenditures and Other Sources (Uses)	400	28,048	11,842
<u>FUND BALANCE - Beginning of Year</u>	50,259	50,259	38,417
<u>FUND BALANCE - End of Year</u>	\$ 50,659	\$ 78,307	\$ 50,259

VILLAGE OF BALDWIN, MICHIGANLOCAL STREET FUND  
COMPARATIVE BALANCE SHEET

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>ASSETS</u>		
Cash	\$ 4,376	\$ 12,522
Due from Other Governmental Units	7,004	6,753
Due from Other Funds		
General Fund	4,151	0
Prepaid Expenses	64	50
TOTAL ASSETS	\$ 15,595	\$ 19,325

LIABILITIES AND FUND BALANCELIABILITIES

Due to Other Funds		
General Fund	\$ 0	\$ 446
Payroll Fund	0	312
Total Liabilities	0	758

FUND BALANCE

Reserved for Prepaid Expenses	64	50
Unreserved	15,531	18,517
Total Fund Balance	15,595	18,567

TOTAL LIABILITIES AND FUND BALANCE	\$ 15,595	\$ 19,325
------------------------------------	-----------	-----------

VILLAGE OF BALDWIN, MICHIGANLOCAL STREET FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUALYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED FEBRUARY 28, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
State Shared Revenues			
Motor Vehicle Highway Fund - Act 51	\$ 39,000	\$ 37,596	\$ 36,034
Interest and Rents			
Interest	100	1	37
Other Revenues			
Reimbursements	1,000	0	0
Total Revenues	40,100	37,597	36,071
Public Works			
Street Construction	7,500	5,255	0
Routine Maintenance			
Wages	10,000	6,897	6,164
Employee Benefits (FICA)	1,000	642	586
Workers' Compensation	0	440	448
Equipment and Materials	6,500	979	766
Equipment Rental	20,000	15,773	7,789
Sweeping	1,000	575	475
Repairs & Maintenance	1,500	2,450	0
Winter Maintenance			
Wages	5,000	6,339	8,105
Employee Benefits (FICA)	0	376	512
Equipment Rental	0	2,552	4,322
Administration			
Salaries	2,000	1,500	1,500
Legal Fees	500	0	0
Independent Audit	800	825	800
Engineering	2,500	98	3,953
Traffic Signs and Signals	750	472	69
Total Expenditures	59,050	45,173	35,489
Excess of Revenues Over (Under) Expenditures	(18,950)	(7,576)	582



VILLAGE OF BALDWIN, MICHIGANLOCAL STREET FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUALYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED FEBRUARY 28, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In			
General Fund	0	4,604	0
Major Street Fund	18,950	0	14,317
Total Other Financing Sources (Uses)	18,950	4,604	14,317
Excess of Revenues Over (Under)			
Expenditures and Other Sources (Uses)	0	(2,972)	14,899
<u>FUND BALANCE - Beginning of Year</u>	18,567	18,567	3,668
<u>FUND BALANCE - End of Year</u>	\$ 18,567	\$ 15,595	\$ 18,567

VILLAGE OF BALDWIN, MICHIGANFIRE FUND  
COMPARATIVE BALANCE SHEET

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>ASSETS</u>		
Cash	\$ 68,433	\$ 59,469
Due from Other Governmental Units	39,866	38,761
Due from Other Funds		
Payroll Fund	107	108
Prepaid Expenses	13,666	11,380
TOTAL ASSETS	\$ 122,072	\$ 109,718
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 213	\$ 1,841
Due to Other Funds		
General Fund	13,717	11,530
Total Liabilities	13,930	13,371
<u>FUND BALANCE</u>		
Reserved for Prepaid Expenses	13,666	11,380
Unreserved	94,476	84,967
Total Fund Balance	108,142	96,347
TOTAL LIABILITIES AND FUND BALANCE	\$ 122,072	\$ 109,718

VILLAGE OF BALDWIN, MICHIGANFIRE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUALYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED FEBRUARY 28, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Charges for Services			
Fire Contract Revenue	\$ 85,000	\$ 103,579	\$ 86,847
Fire Run Revenue	1,000	0	0
Interest and Rents			
Interest Income	250	7	245
Other			
Donations and Miscellaneous	1,500	0	0
Total Revenues	<u>87,750</u>	<u>103,586</u>	<u>87,092</u>
<u>EXPENDITURES</u>			
Public Safety			
Fire Protection			
Salaries			
Fire Chief	2,500	3,550	2,750
Assistant Fire Chief	1,200	350	1,200
2nd Assistant Fire Chief	350	300	350
Treasurer	1,200	1,200	0
Captain	300	300	300
Safety Officer	300	300	300
Contracted Services - Firefighters	10,000	12,000	10,000
Employee Benefits (FICA)	230	134	210
Operating Supplies	17,000	17,829	18,820
Independent Audit	800	825	800
Legal Fees	500	0	0
Communications	900	1,414	971
Gasoline and Oil	2,250	1,959	1,518
Insurance	1,000	11,431	11,114
Electricity	800	589	687
Heat	800	0	0
Water	600	530	663

VILLAGE OF BALDWIN, MICHIGANFIRE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUALYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED FEBRUARY 28, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
Equipment Repairs	1,000	418	1,428
Truck Repairs	7,500	4,965	3,702
Building Repairs	1,000	665	332
Training and Dues	3,500	835	2,152
Capital Outlay	33,000	15,462	7,139
Administration			
Salaries	150	0	0
Debt Service			
Principal	0	11,944	11,005
Interest Expense	0	6,791	7,730
Total Expenditures	86,880	93,791	83,171
Excess of Revenues Over (Under) Expenditures	870	9,795	3,921
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In General Fund	0	2,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	870	11,795	3,921
<u>FUND BALANCE - Beginning of Year</u>	96,347	96,347	92,426
<u>FUND BALANCE - End of Year</u>	\$ 97,217	\$ 108,142	\$ 96,347

VILLAGE OF BALDWIN, MICHIGAN1990 HOUSING REHABILITATION FUND  
COMPARATIVE BALANCE SHEET

		FEBRUARY 29 2004	FEBRUARY 28 2003
	<u>ASSETS</u>		
Cash		\$ 46,878	\$ 46,903
Due from Other Funds			
General Fund		124	124
TOTAL ASSETS		\$ 47,002	\$ 47,027
	<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		\$ 0	\$ 0
<u>FUND BALANCE</u>			
Reserved for Community Development		47,002	47,027
TOTAL LIABILITIES AND FUND BALANCE		\$ 47,002	\$ 47,027

VILLAGE OF BALDWIN, MICHIGAN1990 HOUSING REHABILITATION FUNDCOMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCEYEAR ENDED

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 5	\$ 136
Other Revenues		
MSHDA Loan Repayments	570	887
Total Revenues	575	1,023
<u>EXPENDITURES</u>		
Professional Fees	600	0
Excess of Revenues Over (Under) Expenditures	(25)	1,023
<u>FUND BALANCE - Beginning of Year</u>	47,027	46,004
<u>FUND BALANCE - End of Year</u>	\$ 47,002	\$ 47,027

VILLAGE OF BALDWIN, MICHIGAN  
HOLLISTER PARK CAPITAL PROJECT FUND  
COMPARATIVE BALANCE SHEET

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>ASSETS</u>	\$ 0	\$ 0
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Unreserved	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 0	\$ 0

VILLAGE OF BALDWIN, MICHIGANHOLLISTER PARK CAPITAL PROJECT FUNDCOMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCEYEAR ENDEDFEBRUARY 29  
2004FEBRUARY 28  
2003REVENUES

Interest and Rents

Interest

\$ 0 \$ 6

EXPENDITURES

Professional Fees

0 600

Excess of Revenues Over

(Under) Expenditures

0 (594)

OTHER FINANCING SOURCES (USES)

Operating Transfers Out

General Fund

0 (4,414)

Excess of Revenues Over (Under)

Expenditures and Other Sources (Uses)

0 (5,008)

FUND BALANCE - Beginning of Year

0 5,008

FUND BALANCE - End of Year

\$ 0 \$ 0



## VILLAGE OF BALDWIN, MICHIGAN

ENTERPRISE FUNDS  
COMBINING BALANCE SHEETFEBRUARY 29, 2004  
WITH COMPARATIVE TOTALS FOR FEBRUARY 28, 2003

	WATER FUND	SEWER FUND	TOTALS	
			2004	2003
<u>ASSETS</u>				
Cash	\$ 159,561	\$ 630,875	\$ 790,436	\$ 756,790
Receivables (Net, Where Applicable, of Allowance for Uncollectibles)				
Accounts	14,384	47,140	61,524	71,396
Due from Other Governments	126,433	0	126,433	0
Restricted Assets - Cash	146,124	154,292	300,416	218,208
Fixed Assets (Net of Accumulated Depreciation)	3,114,932	9,890,950	13,005,882	11,373,397
Prepaid Expenses	2,710	8,281	10,991	8,888
Due from Other Funds	638	1,767	2,405	1,405
Deferred Charges	0	29,414	29,414	30,297
TOTAL ASSETS	\$ 3,564,782	\$ 10,762,719	\$ 14,327,501	\$ 12,460,381
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Expense	142,525	0	142,525	327,220
Due to Other Funds	3,981	11,682	15,663	11,302
Deferred Revenue	0	384,624	384,624	393,493
Revenue Bonds Payable	1,532,000	1,772,500	3,304,500	2,084,000
Total Liabilities	1,678,506	2,168,806	3,847,312	2,816,015
<u>FUND EQUITY</u>				
Contributed Capital	387,048	5,308,878	5,695,926	5,845,350
Retained Earnings	1,499,228	3,285,035	4,784,263	3,799,016
Total Fund Equity	1,886,276	8,593,913	10,480,189	9,644,366
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,564,782	\$ 10,762,719	\$ 14,327,501	\$ 12,460,381

VILLAGE OF BALDWIN, MICHIGANENTERPRISE FUNDSCOMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGSYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE TOTALS FOR YEAR ENDED FEBRUARY 28, 2003

	WATER FUND	SEWER FUND	TOTALS (MEMORANDUM ONLY)	
			2004	2003
<u>OPERATING REVENUES</u>				
Charges for Services	\$ 148,494	\$ 393,593	\$ 542,087	\$ 552,759
Hydrant Rental	2,960	0	2,960	2,960
Turn On Fees	1,260	0	1,260	250
Total Operating Revenues	152,714	393,593	546,307	555,969
<u>OPERATING EXPENSES</u>				
Wages and Fringe Benefits	46,046	89,330	135,376	115,539
Office Supplies	29	990	1,019	295
Postage	865	789	1,654	1,452
Legal Fees	0	165	165	750
Independent Audit	1,400	1,300	2,700	2,600
Contracted Services - Operations				
Assistant	0	7,687	7,687	7,255
Lab Fee - Samples	5,521	1,744	7,265	5,199
Operating Supplies	5,831	20,067	25,898	28,094
Sludge Removal	0	0	0	1,250
Insurance	3,725	9,135	12,860	12,162
Utilities	12,602	75,930	88,532	76,776
Maintenance	7,961	20,143	28,104	27,889
Shop/Storage Building	0	0	0	200
Equipment Rentals	13,580	5,462	19,042	15,418
Alarm System Rent	3,699	0	3,699	2,869
Education and Training	252	813	1,065	927
Depreciation	44,127	236,534	280,661	281,281
Dues and Fees	575	0	575	550
Miscellaneous	0	1,650	1,650	1,500
Total Operating Expenses	146,213	471,739	617,952	582,006
Operating Income (Loss)	6,501	(78,146)	(71,645)	(26,037)

VILLAGE OF BALDWIN, MICHIGANENTERPRISE FUNDSCOMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS - CONTINUEDYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE TOTALS FOR YEAR ENDED FEBRUARY 28, 2003

	WATER FUND	SEWER FUND	TOTALS (MEMORANDUM ONLY)	
			2004	2003
<u>NONOPERATING REVENUES</u>				
<u>(EXPENSES)</u>				
Interest Income	1,857	3,568	5,425	8,386
Interest Expense	(31,174)	(83,519)	(114,693)	(99,406)
Amortization Expense	0	(885)	(885)	(885)
Grants	1,017,171	0	1,017,171	0
Gain on Sale of Assets	0	0	0	15,000
Sewer Connection Fees	0	450	450	8,550
Total Nonoperating Revenues (Expenses)	987,854	(80,386)	907,468	(68,355)
Net Income (Loss)	994,355	(158,532)	835,823	(94,392)
Depreciation on Fixed Assets Acquired by Grants and Shared Revenues Externally Restricted for Capital Acquisitions and Construction that Reduces Contributed Capital	20,298	129,126	149,424	149,746
<u>RETAINED EARNINGS -</u>				
Beginning of Year	484,575	3,314,441	3,799,016	3,743,662
<u>RETAINED EARNINGS -</u>				
End of Year	\$ 1,499,228	\$ 3,285,035	\$ 4,784,263	\$ 3,799,016

VILLAGE OF BALDWIN, MICHIGANENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWSYEAR ENDED FEBRUARY 29, 2004  
WITH COMPARATIVE TOTALS FOR YEAR ENDED FEBRUARY 28, 2003

	WATER FUND	SEWER FUND	TOTALS (MEMORANDUM ONLY)	
			2004	2003
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Operating Income (Loss)	\$ 6,501	\$ (78,146)	\$ (71,645)	\$ (26,037)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	44,127	236,534	280,661	281,281
(Increase) Decrease in Current Assets				
Accounts Receivable	(3,432)	13,304	9,872	(27,444)
Grant Receivable	(126,433)	0	(126,433)	0
Prepaid Expenses	(487)	(1,616)	(2,103)	(881)
Due from Other Funds	0	(1,000)	(1,000)	5,861
Increase (Decrease) in Current Liabilities				
Accounts Payable	(199,396)	0	(199,396)	119,953
Due to Other Funds	2,489	1,872	4,361	(67,971)
Deferred Revenues	0	(8,869)	(8,869)	0
Net Cash Provided by (Used for) Operating Activities	(276,631)	162,079	(114,552)	284,762
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Accrued Interest Payable	14,700	0	14,700	(100)
Acquisition of Capital Assets	(1,912,346)	(801)	(1,913,147)	(353,044)
Principal Paid on Revenue Bond	(12,000)	(21,500)	(33,500)	(31,000)
Proceeds from Revenue Bonds	1,254,000	0	1,254,000	0
Interest on Revenue Bonds	(31,174)	(83,519)	(114,693)	(99,406)
Proceeds From Sale of Assets	0	0	0	15,000
Sewer Connection Fees	0	450	450	8,550
Proceeds from Grants	1,017,171	0	1,017,171	0
Net Cash Provided by (Used for) Capital and Related Financing Activities	330,351	(105,370)	224,981	(460,000)

VILLAGE OF BALDWIN, MICHIGANENTERPRISE FUNDSCOMBINING STATEMENT OF CASH FLOWS - CONTINUEDYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE TOTALS FOR YEAR ENDED FEBRUARY 28, 2003

	WATER FUND	SEWER FUND	TOTALS (MEMORANDUM ONLY)	
			2004	2003
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest on Investments	1,857	3,568	5,425	8,386
Net Increase (Decrease) in Cash and Cash Equivalents	55,577	60,277	115,854	(166,852)
<u>CASH AND CASH EQUIVALENTS -</u>				
Beginning of Year	250,108	724,890	974,998	1,141,850
<u>CASH AND CASH EQUIVALENTS -</u>				
End of Year	\$ 305,685	\$ 785,167	\$ 1,090,852	\$ 974,998
<u>SUPPLEMENTAL CASH FLOW DISCLOSURES</u>				
Interest Paid During the Year	\$ 16,474	\$ 83,519	\$ 99,993	\$ 99,506

VILLAGE OF BALDWIN, MICHIGANWATER FUND  
COMPARATIVE BALANCE SHEET

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 159,561	\$ 174,966
Accounts Receivable	14,384	10,952
Due from Other Governments	126,433	0
Prepaid Expenses	2,710	2,223
Due from Other Funds		
Payroll Fund	638	638
Total Current Assets	303,726	188,779
<u>RESTRICTED ASSETS</u>		
Cash		
Bond Redemption	39,040	39,943
Bond Reserve	107,084	35,199
Total Restricted Assets	146,124	75,142
<u>PROPERTY, PLANT AND EQUIPMENT</u>		
Land	13,813	13,813
Machinery and Equipment	10,213	10,213
Water System Improvements	1,812,720	1,812,720
Project Under Construction	2,263,133	350,788
Accumulated Depreciation	(984,947)	(940,821)
Total Property, Plant and Equipment	3,114,932	1,246,713
TOTAL ASSETS	\$ 3,564,782	\$ 1,510,634

VILLAGE OF BALDWIN, MICHIGANWATER FUND  
COMPARATIVE BALANCE SHEET - CONTINUED

	<u>FEBRUARY 29</u>	<u>FEBRUARY 28</u>
	<u>2004</u>	<u>2003</u>

LIABILITIES AND FUND EQUITYCURRENT LIABILITIES (Payable from Current Assets)

Accounts Payable	\$ 125,425	\$ 324,820
Due to Other Funds		
General Fund	2,981	1,492
Sewer Fund	1,000	0

Total Current Liabilities (Payable from Current Assets)	<u>129,406</u>	<u>326,312</u>
---	----------------	----------------

CURRENT LIABILITIES (Payable from Restricted Assets)

Current Portion of Revenue Bonds	13,000	12,000
Accrued Interest Payable	17,100	2,400

Total Current Liabilities (Payable from Restricted Assets)	<u>30,100</u>	<u>14,400</u>
--	---------------	---------------

LONG-TERM LIABILITIES

Revenue Bonds Payable (Net of Current Portion)	<u>1,519,000</u>	<u>278,000</u>
--	------------------	----------------

Total Liabilities	<u>1,678,506</u>	<u>618,712</u>
-------------------	------------------	----------------

FUND EQUITY

Contributed Capital		
Municipality	33,675	35,615
Federal Government	353,373	371,732

Total Contributed Capital	<u>387,048</u>	<u>407,347</u>
---------------------------	----------------	----------------

Retained Earnings	<u>1,499,228</u>	<u>484,575</u>
-------------------	------------------	----------------

Total Fund Equity	<u>1,886,276</u>	<u>891,922</u>
-------------------	------------------	----------------

TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,564,782</u>	<u>\$ 1,510,634</u>
-----------------------------------	---------------------	---------------------

VILLAGE OF BALDWIN, MICHIGANWATER FUNDSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGSBUDGET AND ACTUALYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED FEBRUARY 28, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>OPERATING REVENUES</u>			
Water Billings	\$ 140,200	\$ 148,494	\$ 138,080
Hydrant Rental	4,000	2,960	2,960
Turn On Fees	3,500	1,260	250
Other Income	5,900	0	0
Total Operating Revenues	<u>153,600</u>	<u>152,714</u>	<u>141,290</u>
<u>OPERATING EXPENSES</u>			
Salaries	1,250	1,500	1,500
Wages and Fringe Benefits	27,500	35,352	24,579
Collection Agent Fees	7,500	9,194	9,355
Office Supplies	500	29	0
Postage	1,200	865	724
Legal Fees	750	0	0
Independent Audit	1,200	1,400	1,000
Lab Fees	3,500	5,521	3,109
Operating Supplies	10,000	5,831	10,505
Insurance	2,000	3,725	3,741
Utilities	12,500	12,602	11,883
Pump and Tower Maintenance	15,000	7,961	12,562
Equipment Rental	7,500	13,580	8,974
Alarm System Rent and Telephone	3,450	3,699	2,869
Education and Training	1,000	252	642
Depreciation	0	44,127	44,827
Dues and Fees	0	575	550
Administration	1,000	0	0
Bad Debt Expense	250	0	0
Capital Outlay	2,500	0	0
Total Operating Expenses	<u>98,600</u>	<u>146,213</u>	<u>136,820</u>
Operating Income (Loss)	<u>55,000</u>	<u>6,501</u>	<u>4,470</u>



VILLAGE OF BALDWIN, MICHIGANWATER FUNDSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGSBUDGET AND ACTUAL - CONTINUEDYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED FEBRUARY 28, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest Income	1,000	1,857	2,800
Well Head Grant	0	8,038	0
Rural Development Grant	0	1,009,133	0
Interest Expense	(37,000)	(31,174)	(15,000)
Total Nonoperating Revenues (Expenses)	<u>(36,000)</u>	<u>987,854</u>	<u>(12,200)</u>
Net Income (Loss)	19,000	994,355	(7,730)
Depreciation on Fixed Assets Acquired by Grants and Shared Revenues Externally Restricted for Capital Acquisitions and Construction that Reduces Contributed Capital	0	20,298	20,620
<u>RETAINED EARNINGS - Beginning of Year</u>	<u>484,575</u>	<u>484,575</u>	<u>471,685</u>
<u>RETAINED EARNINGS - End of Year</u>	<u>\$ 503,575</u>	<u>\$ 1,499,228</u>	<u>\$ 484,575</u>

VILLAGE OF BALDWIN, MICHIGANWATER FUND  
COMPARATIVE STATEMENT OF CASH FLOWSYEAR ENDED

	<u>FEBRUARY 29</u> <u>2004</u>	<u>FEBRUARY 28</u> <u>2003</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ 6,501	\$ 4,470
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities		
Depreciation	44,127	44,827
(Increase) Decrease in Current Assets		
Accounts Receivable	(3,432)	(4,624)
Grant Receivable	(126,433)	0
Prepaid Expenses	(487)	(102)
Due from Other Funds	0	(454)
Increase (Decrease) in Current Liabilities		
Accounts Payable	(199,396)	324,551
Due to Other Funds	2,489	(7,924)
Net Cash Provided by (Used for) Operating Activities	<u>(276,631)</u>	<u>360,744</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Accrued Interest Payable	14,700	(100)
Acquisition and Construction of Capital Assets	(1,912,346)	(350,787)
Principal Paid on Revenue Bond Maturities	(12,000)	(12,000)
Proceeds from Revenue Bonds	1,254,000	0
Proceeds from Grants	1,017,171	0
Interest on Revenue Bonds	(31,174)	(15,000)
Net Cash Used for Capital and Related Financing Activities	<u>330,351</u>	<u>(377,887)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on Investments	1,857	2,800
Net Increase (Decrease) in Cash and Cash Equivalents	55,577	(14,343)
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	<u>250,108</u>	<u>264,451</u>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	<u>\$ 305,685</u>	<u>\$ 250,108</u>
<u>SUPPLEMENTAL CASH FLOW DISCLOSURES</u>		
Interest Paid During the Year	<u>\$ 16,474</u>	<u>\$ 15,100</u>

VILLAGE OF BALDWIN, MICHIGANSEWER FUND  
COMPARATIVE BALANCE SHEET

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 630,875	\$ 581,824
Accounts Receivable	47,140	60,444
Prepaid Expenses	8,281	6,665
Due from Other Funds		
Water Fund	1,000	0
Payroll Fund	767	767
Total Current Assets	688,063	649,700
<u>RESTRICTED ASSETS</u>		
Cash		
Replacement	14,505	8,505
Bond Redemption	10,968	9,014
Bond Reserve	128,819	125,547
Total Restricted Assets	154,292	143,066
<u>PROPERTY, PLANT AND EQUIPMENT</u>		
Land	35,267	35,267
Machinery and Equipment	33,102	32,302
Sewer System Improvements	10,973,540	10,973,540
Accumulated Depreciation	(1,150,959)	(914,425)
Total Property, Plant and Equipment	9,890,950	10,126,684
<u>DEFERRED CHARGES</u>		
Bond Acquisition Fees - Net of Amortization	29,414	30,297
TOTAL ASSETS	\$ 10,762,719	\$ 10,949,747

VILLAGE OF BALDWIN, MICHIGANSEWER FUNDCOMPARATIVE BALANCE SHEET - CONTINUED

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>LIABILITIES AND FUND EQUITY</u>		
<u>CURRENT LIABILITIES</u> (Payable from Current Assets)		
Due to Other Funds	\$ 11,682	\$ 9,810
General Fund		
<u>CURRENT LIABILITIES</u> (Payable from Restricted Assets)		
Current Portion of Revenue Bonds	21,500	21,500
<u>LONG-TERM LIABILITIES</u>		
Deferred Revenue	384,624	393,493
Revenue Bonds Payable (Net of Current Portion)	1,751,000	1,772,500
Total Long-Term Liabilities	2,135,624	2,165,993
Total Liabilities	2,168,806	2,197,303
<u>FUND EQUITY</u>		
Contributed Capital		
Customers	114,742	117,884
Federal Government	2,033,664	2,090,065
Wackenhut	3,160,472	3,230,054
Total Contributed Capital	5,308,878	5,438,003
Retained Earnings	3,285,035	3,314,441
Total Fund Equity	8,593,913	8,752,444
TOTAL LIABILITIES AND FUND EQUITY	\$ 10,762,719	\$ 10,949,747

VILLAGE OF BALDWIN, MICHIGANSEWER FUNDSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGSBUDGET AND ACTUALYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED FEBRUARY 28, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
<u>OPERATING REVENUES</u>			
Sewer Billings	\$ 460,000	\$ 393,593	\$ 414,679
<u>OPERATING EXPENSES</u>			
Wages and Fringe Benefits	84,500	89,330	80,105
Lab Fees	18,500	1,744	2,090
Office Supplies	500	990	295
Postage	1,000	789	728
Legal Fees	3,000	165	750
Independent Audit	2,000	1,300	1,600
Operating Supplies	30,000	20,067	17,589
Contracted Services - Operations Assistant	10,000	7,687	7,255
Sludge Removal	22,500	0	1,250
Insurance	4,500	9,135	8,421
Electricity	55,000	58,445	51,473
Heat	20,000	13,618	9,642
Fuel Oil	2,000	31	442
Telephone	3,500	3,836	3,336
Lift Station Maintenance	10,000	17,193	5,250
Treatment Plant Maintenance	15,000	2,950	10,077
Shop/Storage Building	45,000	0	200
Equipment Rental	15,000	5,462	6,444
Education and Training	2,000	813	285
Administration	1,500	1,650	1,500
Dues and Subscriptions	500	0	0
Depreciation	0	236,534	236,454
Total Operating Expenses	346,000	471,739	445,186
Operating Income (Loss)	114,000	(78,146)	(30,507)

VILLAGE OF BALDWIN, MICHIGANSEWER FUNDSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGSBUDGET AND ACTUAL - CONTINUEDYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED FEBRUARY 28, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest Income	3,000	3,568	5,586
Interest Expense	(145,000)	(83,519)	(84,406)
Amortization of Bond Acquisition Fees	0	(885)	(885)
Gain on Sale of Assets	0	0	15,000
Sewer Connection Fees - Customers	5,000	450	8,550
Total Nonoperating Revenues (Expenses)	(137,000)	(80,386)	(56,155)
Net Income (Loss)	(23,000)	(158,532)	(86,662)
Depreciation on Fixed Assets Acquired by Grants and Shared Revenues Externally Restricted for Capital Acquisitions and Construction that Reduces Contributed Capital	0	129,126	129,126
<u>RETAINED EARNINGS - Beginning of Year</u>	3,314,441	3,314,441	3,271,977
<u>RETAINED EARNINGS - End of Year</u>	\$ 3,291,441	\$ 3,285,035	\$ 3,314,441

## VILLAGE OF BALDWIN, MICHIGAN

SEWER FUND  
COMPARATIVE STATEMENT OF CASH FLOWS

## YEAR ENDED

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ (78,146)	\$ (30,507)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	236,534	236,454
(Increase) Decrease in Current Assets		
Accounts Receivable	13,304	(22,820)
Prepaid Expenses	(1,616)	(779)
Due from Other Funds	(1,000)	6,315
Increase (Decrease) in Current Liabilities		
Accounts Payable	0	(204,598)
Due to Other Funds	1,872	(60,047)
Deferred Revenues	(8,869)	0
Net Cash Provided by (Used for) Operating Activities	162,079	(75,982)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and Construction of Capital Assets	(801)	(2,257)
Principal Paid on Revenue Bond Maturities	(21,500)	(19,000)
Interest Paid on Revenue Bonds	(83,519)	(84,406)
Proceeds from Sale of Fixed Assets	0	15,000
Sewer Connection Fees	450	8,550
Net Cash Provided by (Used for) Capital and Related Financing Activities	(105,370)	(82,113)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on Investments	3,568	5,586
Net Increase in Cash and Cash Equivalents	60,277	(152,509)
<u>CASH AND EQUIVALENTS - Beginning of Year</u>	724,890	877,399
<u>CASH AND EQUIVALENTS - End of Year</u>	\$ 785,167	\$ 724,890
<u>SUPPLEMENTAL CASH FLOW DISCLOSURES</u>		
Interest Paid During the Year	\$ 83,519	\$ 84,406

## VILLAGE OF BALDWIN, MICHIGAN

EQUIPMENT FUND  
COMPARATIVE BALANCE SHEET

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 107,756	\$ 118,242
Prepaid Expenses	4,209	2,885
Total Current Assets	111,965	121,127
<u>PROPERTY, PLANT AND EQUIPMENT</u>		
Machinery and Equipment	312,872	275,800
Accumulated Depreciation	(237,172)	(217,355)
Total Property, Plant and Equipment	75,700	58,445
TOTAL ASSETS	\$ 187,665	\$ 179,572
<u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 296
Due to General fund	4,617	2,885
Total Liabilities	4,617	3,181
<u>FUND EQUITY</u>		
Contributed Equity	15,037	15,037
Retained Earnings	168,011	161,354
Total Fund Equity	183,048	176,391
TOTAL LIABILITIES AND FUND EQUITY	\$ 187,665	\$ 179,572



VILLAGE OF BALDWIN, MICHIGANEQUIPMENT FUNDSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGSBUDGET AND ACTUALYEAR ENDED FEBRUARY 29, 2004WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED FEBRUARY 28, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>OPERATING REVENUES</u>			
Charges for Services			
Equipment Rental	\$ 85,000	\$ 62,039	\$ 50,569
<u>OPERATING EXPENSES</u>			
Materials and Supplies	3,000	776	814
Equipment Repairs	20,000	19,954	11,595
Building Repairs	5,000	0	0
Audit	1,200	825	800
Telephone	1,000	1,137	1,092
Gasoline and Oil	6,000	6,239	5,271
Fleet Insurance	3,500	3,293	2,525
Electricity	2,500	2,724	2,498
Heat	1,000	1,174	821
Administration	250	0	0
Miscellaneous	200	0	0
Capital Outlay	42,350	0	0
Depreciation	0	19,816	17,454
Total Operating Expenses	86,000	55,938	42,870
Operating Income (Loss)	(1,000)	6,101	7,699
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest Income	500	556	1,111
Gain on Sale of Fixed Assets	500	0	662
Total Non-Operating Revenues (Expenses)	1,000	556	1,773
Net Income (Loss)	0	6,657	9,472
<u>RETAINED EARNINGS - Beginning of Year</u>	161,354	161,354	151,882
<u>RETAINED EARNINGS - End of Year</u>	\$ 161,354	\$ 168,011	\$ 161,354

VILLAGE OF BALDWIN, MICHIGAN  
EQUIPMENT FUND  
COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED

	<u>FEBRUARY 29</u> <u>2004</u>	<u>FEBRUARY 28</u> <u>2003</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ 6,101	\$ 7,699
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities		
Depreciation	19,816	17,454
(Increase) Decrease in Current Assets		
Due from Other Funds	0	38,679
Prepaid Expenses	(1,324)	(360)
Increase (Decrease) in Current Liabilities		
Accounts Payable	(296)	296
Due to Other Funds	1,732	2,885
	<u>26,029</u>	<u>66,653</u>
Net Cash Provided by (Used for) Operating Activities		
<u>CASH FLOWS FROM CAPITAL AND RELATED</u>		
<u>FINANCING ACTIVITIES</u>		
Acquisition of Capital Assets	(37,071)	(38,082)
Sale of Fixed Assets	0	662
	<u>(37,071)</u>	<u>(37,420)</u>
Net Cash Provided by (Used for) Financing Activities		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on Investments	556	1,111
	<u>(10,486)</u>	<u>30,344</u>
Net Increase in Cash and Cash Equivalents		
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	<u>118,242</u>	<u>87,898</u>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	<u>\$ 107,756</u>	<u>\$ 118,242</u>

VILLAGE OF BALDWIN, MICHIGANIMPREST PAYROLL FUND  
COMPARATIVE BALANCE SHEET

		FEBRUARY 29 2004	FEBRUARY 28 2003
	<u>ASSETS</u>		
Cash		\$ 1,507	\$ 3,448
Due from Other Funds			
Major Streets Fund		0	129
Local Streets Fund		0	312
TOTAL ASSETS		\$ 1,507	\$ 3,889
	<u>LIABILITIES</u>		
Payroll Withholdings		\$ (1,616)	\$ (2,252)
Accrued Payroll Taxes		952	840
Due to Other Funds			
General Fund		658	3,788
Fire Fund		108	108
Sewer Fund		767	767
Water Fund		638	638
TOTAL LIABILITIES		\$ 1,507	\$ 3,889

## VILLAGE OF BALDWIN, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS  
COMBINING BALANCE SHEET

FEBRUARY 29, 2004

WITH COMPARATIVE TOTALS FOR FEBRUARY 28, 2003

	OPERATING FUND	DEBT RETIREMENT FUND	GENERAL LONG-TERM DEBT	TOTALS	
				2004	2003
<u>ASSETS</u>					
Cash	\$ 53,266	\$ 2,505	\$ 0	\$ 55,771	\$ 27,215
Receivable					
Accounts	548	0	0	548	1,958
Property Taxes	70,881	0	0	70,881	62,674
<u>OTHER DEBITS</u>					
Amount Available in Debt Retirement Fund	0	0	2,505	2,505	3,562
Amount to be Provided for Long-Term Debt	0	0	932,495	932,495	961,438
 TOTAL ASSETS AND OTHER DEBITS	 \$ 124,695	 \$ 2,505	 \$ 935,000	 \$ 1,062,200	 \$ 1,056,847
 <u>LIABILITIES AND FUND BALANCE</u>					
<u>LIABILITIES</u>					
Deferred Revenue	\$ 8,779	\$ 0	\$ 0	\$ 8,779	\$ 20,090
Due to Primary Government					
General Fund	102,750	0	0	102,750	40,750
Bonds Payable	0	0	935,000	935,000	965,000
 Total Liabilities	 111,529	 0	 935,000	 1,046,529	 1,025,840
 <u>FUND BALANCE</u>					
Reserved for Debt Service	0	2,505	0	2,505	3,562
Unreserved	13,166	0	0	13,166	27,445
 Total Fund Balances	 13,166	 2,505	 0	 15,671	 31,007
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 124,695	 \$ 2,505	 \$ 935,000	 \$ 1,062,200	 \$ 1,056,847

## VILLAGE OF BALDWIN, MICHIGAN

## DOWNTOWN DEVELOPMENT AUTHORITY FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED FEBRUARY 29, 2004

WITH COMPARATIVE TOTALS FOR YEAR ENDED FEBRUARY 28, 2003

	OPERATING FUND	DEBT RETIREMENT FUND	TOTALS	
			2004	2003
<u>REVENUES</u>				
Taxes	\$ 146,386	\$ 0	\$ 146,386	\$ 154,604
Interest and Rents	4	13	17	9,176
Grants	2,500	0	2,500	0
Other Revenue	1,499	0	1,499	17,800
Total Revenues	150,389	13	150,402	181,580
<u>EXPENDITURES</u>				
General Government	13,954	0	13,954	25,290
Capital Outlay	70,541	0	70,541	1,195,814
Debt Retirement	0	81,243	81,243	56,301
Total Expenditures	84,495	81,243	165,738	1,277,405
Excess of Revenues Over (Under) Expenditures	65,894	(81,230)	(15,336)	(1,095,825)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers in (Out)	(80,173)	80,173	0	0
Proceeds from Bonds	0	0	0	998,507
Total Other Financing Sources (Uses)	(80,173)	80,173	0	998,507
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(14,279)	(1,057)	(15,336)	(97,318)
<u>FUND BALANCE - Beginning of Year</u>	27,445	3,562	31,007	128,325
<u>FUND BALANCE - End of Year</u>	\$ 13,166	\$ 2,505	\$ 15,671	\$ 31,007

VILLAGE OF BALDWIN, MICHIGANDOWNTOWN DEVELOPMENT AUTHORITY OPERATING FUNDCOMPARATIVE BALANCE SHEET

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>ASSETS</u>		
Cash	\$ 53,266	\$ 23,653
Receivables		
Accounts	548	1,958
Property Taxes	70,881	62,674
TOTAL ASSETS	\$ 124,695	\$ 88,285
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenue	\$ 8,779	\$ 20,090
Due to Primary Government		
General Fund	102,750	40,750
Total Liabilities	111,529	60,840
<u>FUND BALANCE</u>		
Unreserved	13,166	27,445
TOTAL LIABILITIES AND FUND BALANCE	\$ 124,695	\$ 88,285

## VILLAGE OF BALDWIN, MICHIGAN

## DOWNTOWN DEVELOPMENT AUTHORITY OPERATING FUND

## COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

## YEAR ENDED

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>REVENUES</u>		
Taxes		
Current Property Tax Levy	\$ 126,296	\$ 97,130
Delinquent Taxes	20,090	57,474
Interest and Rents		
Interest	4	9,121
Grants		
Lake County Road Commission	2,500	0
Other Revenue		
Reimbursements	1,499	17,800
Total Revenues	<u>150,389</u>	<u>181,525</u>
<u>EXPENDITURES</u>		
General Government		
Office Supplies	27	158
Printing and Publishing	127	0
Insurance-Bond	171	327
Independent Audit	1,400	825
Legal	1,093	12,689
Contracted Services	11,136	11,291
Capital Outlay		
Streetscape	57,335	1,187,639
Signage	0	8,175
Other	13,206	0
Total Expenditures	<u>84,495</u>	<u>1,221,104</u>
Excess of Revenues Over (Under) Expenditures	<u>65,894</u>	<u>(1,039,579)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating Transfers In (Out)		
Debt Service Fund	(80,173)	(56,301)
Proceeds from Bonds	0	995,000
Total other Financing Sources (Uses)	<u>(80,173)</u>	<u>938,699</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(14,279)</u>	<u>(100,880)</u>
<u>FUND BALANCE - Beginning of Year</u>	<u>27,445</u>	<u>128,325</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 13,166</u>	<u>\$ 27,445</u>

VILLAGE OF BALDWIN, MICHIGANDOWNTOWN DEVELOPMENT AUTHORITY DEBT RETIREMENT FUND  
COMPARATIVE BALANCE SHEETFEBRUARY 29  
2004FEBRUARY 28  
2003ASSETS

Cash	\$	2,505	\$	3,562
------	----	-------	----	-------

LIABILITIES AND FUND BALANCE

<u>LIABILITIES</u>	\$	0	\$	0
--------------------	----	---	----	---

FUND BALANCE

Reserved for Debt Service		2,505		3,562
---------------------------	--	-------	--	-------

TOTAL LIABILITIES AND FUND BALANCE	\$	2,505	\$	3,562
------------------------------------	----	-------	----	-------



## VILLAGE OF BALDWIN, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY DEBT RETIREMENT FUNDCOMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCEYEAR ENDED,

	FEBRUARY 29 2004	FEBRUARY 28 2003
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 13	\$ 55
<u>EXPENDITURES</u>		
Debt Service		
Principal	30,000	30,000
Interest and Fiscal Charges	50,953	26,301
Paying Agent Fees	290	0
Total Expenditures	81,243	56,301
Excess of Revenues Over (Under) Expenditures	(81,230)	(56,246)
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating Transfers In		
Operating Fund	80,173	56,301
Proceeds from Bonds	0	3,507
Total Other Financing Sources (Uses)	80,173	59,808
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,057)	3,562
<u>FUND BALANCE - Beginning of Year</u>	3,562	0
<u>FUND BALANCE - End of Year</u>	\$ 2,505	\$ 3,562

VILLAGE OF BALDWIN, MICHIGANSTATEMENT OF 2003 PROPERTY TAX ROLL  
YEAR ENDED FEBRUARY 29, 2004TAXES ASSESSED (Taxable Valuation \$8,788,541) \*

General Fund - 14.785 Mills

\$ 129,939

TAXES COLLECTED

General Fund

106,290TAXES RETURNED DELINQUENT

General Fund

\$ 23,649

\* Total Taxable Valuation

\$ 13,127,784

Less Downtown Development

Authority Capture

4,339,243\$ 8,788,541

VILLAGE OF BALDWIN, MICHIGANSTATEMENT OF 2003 TAX INCREMENT FINANCING TAX ROLL  
YEAR ENDED FEBRUARY 29, 2004SUMMER TAX ROLLTAXES ASSESSED (Captured Taxable Valuation \$4,339,243)

Downtown Development Authority - 14.7939 Mills

\$ 64,194

TAXES COLLECTED

Downtown Development Authority

64,194TAXES RETURNED DELINQUENT

Downtown Development Authority

\$ 0WINTER TAX ROLL

	<u>CAPTURED TAXABLE VALUE</u>	<u>TAXES ASSESSED</u>	<u>TAXES COLLECTED</u>	<u>TAXES RETURNED DELINQUENT</u>
Webber Township		\$ 12,757	\$ 0	\$ 12,757
Pleasant Plains Township		8,779	0	8,779
Lake County		49,344	0	49,344
	<u>\$ 4,339,243</u>	<u>\$ 70,880</u>	<u>\$ 0</u>	<u>\$ 70,880</u>

VILLAGE OF BALDWIN, MICHIGANWATER SUPPLY SYSTEM REVENUE BONDS PAYABLE  
FEBRUARY 29, 2004

<u>TITLE OF ISSUE</u>	Water Supply System Revenue Bonds
<u>PURPOSE</u>	Defraying part of the cost of acquiring and constructing improvements to the Water Supply System
<u>DATE OF ISSUE</u>	April 14, 1981
<u>INTEREST RATE</u>	5.0%
<u>INTEREST PAYABLE</u>	January 1st and July 1st of each year
<u>AMOUNT OF ISSUE</u>	\$ 455,000
<u>BONDS RETIRED</u>	
Prior Years	\$ 165,000
Current Year	<u>12,000</u>
	<u>177,000</u>
<u>BALANCE OUTSTANDING</u> - February 29, 2004	\$ <u><u>278,000</u></u>

<u>DUE DATES</u>	<u>REQUIREMENTS</u>		
	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
July 1, 2004	\$ 6,950	\$ 6,950	
January 1, 2005	19,950	6,950	\$ 13,000
July 1, 2005	6,625	6,625	
January 1, 2006	19,625	6,625	13,000
July 1, 2006	6,300	6,300	
January 1, 2007	20,300	6,300	14,000
July 1, 2007	5,950	5,950	
January 1, 2008	20,950	5,950	15,000
July 1, 2008	5,575	5,575	

## VILLAGE OF BALDWIN, MICHIGAN

WATER SUPPLY SYSTEM REVENUE BONDS PAYABLE  
FEBRUARY 29, 2004

<u>DUE DATES</u>	<u>REQUIREMENTS</u>		
	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
January 1, 2009	21,575	5,575	16,000
July 1, 2009	5,175	5,175	
January 1, 2010	21,175	5,175	16,000
July 1, 2010	4,775	4,775	
January 1, 2011	21,775	4,775	17,000
July 1, 2011	4,350	4,350	
January 1, 2012	22,350	4,350	18,000
July 1, 2012	3,900	3,900	
January 1, 2013	22,900	3,900	19,000
July 1, 2013	3,425	3,425	
January 1, 2014	23,425	3,425	20,000
July 1, 2014	2,925	2,925	
January 1, 2015	23,925	2,925	21,000
July 1, 2015	2,400	2,400	
January 1, 2016	24,400	2,400	22,000
July 1, 2016	1,850	1,850	
January 1, 2017	24,850	1,850	23,000
July 1, 2017	1,275	1,275	
January 1, 2018	25,275	1,275	24,000
July 1, 2018	675	675	
January 1, 2019	27,675	675	27,000
	<u>\$ 402,300</u>	<u>\$ 124,300</u>	<u>\$ 278,000</u>

## VILLAGE OF BALDWIN, MICHIGAN

WATER SUPPLY SYSTEM REVENUE BONDS PAYABLE  
FEBRUARY 29, 2004

<u>TITLE OF ISSUE</u>	Water Supply System Revenue Bonds
<u>PURPOSE</u>	Defraying part of the cost of acquiring and constructing improvements to the Water Supply System.
<u>DATE OF ISSUE</u>	September 23, 2003
<u>INTEREST RATE</u>	4.25%
<u>INTEREST PAYABLE</u>	May 1st and November 1st of each year
<u>AMOUNT OF ISSUE</u>	\$ 1,254,000
<u>BONDS RETIRED</u>	
Prior Years	\$ 0
Current Year	0
	<hr/>
<u>BALANCE OUTSTANDING - February 29, 2004</u>	\$ 1,254,000

<u>DUE DATES</u>	<u>REQUIREMENTS</u>		
	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
May 1, 2004	\$ 26,648	\$ 26,648	\$ 0
November 1, 2004	26,647	26,647	
May 1, 2005	33,648	26,648	7,000
November 1, 2005	26,499	26,499	
May 1, 2006	33,499	26,499	7,000
November 1, 2006	26,350	26,350	
May 1, 2007	33,350	26,350	7,000
November 1, 2007	26,201	26,201	
May 1, 2008	33,201	26,201	7,000
November 1, 2008	26,053	26,053	
May 1, 2009	34,052	26,052	8,000
November 1, 2009	25,883	25,883	
May 1, 2010	33,882	25,882	8,000
November 1, 2010	25,713	25,713	
May 1, 2011	33,712	25,712	8,000
November 1, 2011	25,543	25,543	
May 1, 2012	33,543	25,543	8,000
November 1, 2012	25,373	25,373	
May 1, 2013	33,372	25,372	8,000
November 1, 2013	25,203	25,203	

## VILLAGE OF BALDWIN, MICHIGAN

## WATER SUPPLY SYSTEM REVENUE BONDS PAYABLE

FEBRUARY 29, 2004

DUE DATES	REQUIREMENTS		
	TOTAL	INTEREST	PRINCIPAL
May 1, 2014	34,202	25,202	9,000
November 1, 2014	25,011	25,011	
May 1, 2015	34,011	25,011	9,000
November 1, 2015	24,820	24,820	
May 1, 2016	33,820	24,820	9,000
November 1, 2016	24,629	24,629	
May 1, 2017	34,629	24,629	10,000
November 1, 2017	24,416	24,416	
May 1, 2018	34,416	24,416	10,000
November 1, 2018	24,204	24,204	
May 1, 2019	49,204	24,204	25,000
November 1, 2019	23,673	23,673	
May 1, 2020	49,672	23,672	26,000
November 1, 2020	23,120	23,120	
May 1, 2021	50,120	23,120	27,000
November 1, 2021	22,546	22,546	
May 1, 2022	51,546	22,546	29,000
November 1, 2022	21,930	21,930	
May 1, 2023	51,930	21,930	30,000
November 1, 2023	21,293	21,293	
May 1, 2024	53,292	21,292	32,000
November 1, 2024	20,613	20,613	
May 1, 2025	53,612	20,612	33,000
November 1, 2025	19,911	19,911	
May 1, 2026	54,911	19,911	35,000
November 1, 2026	19,168	19,168	
May 1, 2027	55,167	19,167	36,000
November 1, 2027	18,403	18,403	
May 1, 2028	56,402	18,402	38,000
November 1, 2028	17,595	17,595	
May 1, 2029	57,595	17,595	40,000
November 1, 2029	16,745	16,745	
May 1, 2030	57,745	16,745	41,000
November 1, 2030	15,874	15,874	
May 1, 2031	59,874	15,874	44,000
November 1, 2031	14,939	14,939	
May 1, 2032	60,939	14,939	46,000
November 1, 2032	13,961	13,961	

## VILLAGE OF BALDWIN, MICHIGAN

WATER SUPPLY SYSTEM REVENUE BONDS PAYABLE-CONTINUED  
FEBRUARY 29, 2004

<u>DUE DATES</u>	<u>REQUIREMENTS</u>		
	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
May 1, 2033	61,961	13,961	48,000
November 1, 2033	12,941	12,941	
May 1, 2034	61,941	12,941	49,000
November 1, 2034	11,900	11,900	
May 1, 2035	63,900	11,900	52,000
November 1, 2035	10,795	10,795	
May 1, 2036	64,795	10,795	54,000
November 1, 2036	9,648	9,648	
May 1, 2037	65,647	9,647	56,000
November 1, 2037	8,458	8,458	
May 1, 2038	67,457	8,457	59,000
November 1, 2038	7,204	7,204	
May 1, 2039	69,204	7,204	62,000
November 1, 2039	5,886	5,886	
May 1, 2040	70,886	5,886	65,000
November 1, 2040	4,505	4,505	
May 1, 2041	72,505	4,505	68,000
November 1, 2041	3,060	3,060	
May 1, 2042	74,060	3,060	71,000
November 1, 2042	1,551	1,551	
May 1, 2043	74,551	1,551	73,000
	<u>\$ 2,737,165</u>	<u>\$ 1,483,165</u>	<u>\$ 1,254,000</u>



VILLAGE OF BALDWIN, MICHIGANSANITARY SEWER SYSTEM REVENUE BONDS PAYABLE  
FEBRUARY 29, 2004

<u>TITLE OF ISSUE</u>	Sanitary Sewer System Revenue Bonds
<u>PURPOSE</u>	Construction of Sanitary Sewer System
<u>DATE OF ISSUE</u>	March 8, 1996
<u>INTEREST RATE</u>	5.0%
<u>INTEREST PAYABLE</u>	March 1st and September 1st of each year
<u>AMOUNT OF ISSUE</u>	\$ 855,000
<u>BONDS RETIRED</u>	
Prior Years	\$ 50,000
Current Year	10,500
	<u>60,500</u>
<u>BALANCE OUTSTANDING</u> - February 29, 2004	\$ <u>794,500</u>

<u>DUE DATES</u>	<u>REQUIREMENTS</u>		
	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
September 1, 2004	\$ 19,862	\$ 19,862	
March 1, 2005	30,362	19,862	\$ 10,500
September 1, 2005	19,600	19,600	
March 1, 2006	31,100	19,600	11,500
September 1, 2006	19,312	19,312	
March 1, 2007	30,812	19,312	11,500
September 1, 2007	19,025	19,025	
March 1, 2008	30,525	19,025	11,500
September 1, 2008	18,737	18,737	
March 1, 2009	31,237	18,737	12,500
September 1, 2009	18,425	18,425	
March 1, 2010	31,425	18,425	13,000
September 1, 2010	18,100	18,100	
March 1, 2011	32,100	18,100	14,000
September 1, 2011	17,750	17,750	
March 1, 2012	33,250	17,750	15,500

## VILLAGE OF BALDWIN, MICHIGAN

SANITARY SEWER SYSTEM REVENUE BONDS PAYABLE  
FEBRUARY 29, 2004

<u>DUE DATES</u>	<u>REQUIREMENTS</u>		
	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
September 1, 2012	17,362	17,362	
March 1, 2013	32,862	17,362	15,500
September 1, 2013	16,975	16,975	
March 1, 2014	33,475	16,975	16,500
September 1, 2014	16,562	16,562	
March 1, 2015	33,562	16,562	17,000
September 1, 2015	16,137	16,137	
March 1, 2016	34,137	16,137	18,000
September 1, 2016	15,687	15,687	
March 1, 2017	34,687	15,687	19,000
September 1, 2017	15,212	15,212	
March 1, 2018	35,712	15,212	20,500
September 1, 2018	14,700	14,700	
March 1, 2019	35,200	14,700	20,500
September 1, 2019	14,187	14,187	
March 1, 2020	36,187	14,187	22,000
September 1, 2020	13,637	13,637	
March 1, 2021	36,638	13,638	23,000
September 1, 2021	13,063	13,063	
March 1, 2022	37,063	13,063	24,000
September 1, 2022	12,463	12,463	
March 1, 2023	37,963	12,463	25,500
September 1, 2023	11,825	11,825	
March 1, 2024	38,325	11,825	26,500
September 1, 2024	11,163	11,163	
March 1, 2025	39,163	11,163	28,000
September 1, 2025	10,463	10,463	
March 1, 2026	39,963	10,463	29,500
September 1, 2026	9,725	9,725	
March 1, 2027	40,225	9,725	30,500
September 1, 2027	8,963	8,963	
March 1, 2028	40,963	8,963	32,000
September 1, 2028	8,163	8,163	
March 1, 2029	42,663	8,163	34,500
September 1, 2029	7,300	7,300	
March 1, 2030	42,800	7,300	35,500

VILLAGE OF BALDWIN, MICHIGAN  
SANITARY SEWER SYSTEM REVENUE BONDS PAYABLE  
FEBRUARY 29, 2004

<u>DUE DATES</u>	<u>REQUIREMENTS</u>		
	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
September 1, 2030	6,413	6,413	
March 1, 2031	44,413	6,413	38,000
September 1, 2031	5,463	5,463	
March 1, 2032	44,963	5,463	39,500
September 1, 2032	4,475	4,475	
March 1, 2033	46,475	4,475	42,000
September 1, 2033	3,425	3,425	
March 1, 2034	46,925	3,425	43,500
September 1, 2034	2,338	2,338	
March 1, 2035	47,838	2,338	45,500
September 1, 2035	1,200	1,200	
March 1, 2036	49,200	1,200	48,000
	<u>\$ 1,609,925</u>	<u>\$ 815,425</u>	<u>\$ 794,500</u>

VILLAGE OF BALDWIN, MICHIGAN  
SANITARY SEWER SYSTEM REVENUE BONDS PAYABLE  
FEBRUARY 29, 2004

<u>TITLE OF ISSUE</u>	Sanitary Sewer System Revenue Bonds
<u>PURPOSE</u>	Construction of Sanitary Sewer System
<u>DATE OF ISSUE</u>	June 3, 2000
<u>INTEREST RATE</u>	4.375%
<u>INTEREST PAYABLE</u>	March 1st and September 1st of each year
<u>AMOUNT OF ISSUE</u>	\$ 1,016,000
<u>BONDS RETIRED</u>	
Prior Years	\$ 27,000
Current Year	11,000
	38,000
<u>BALANCE OUTSTANDING - February 29, 2004</u>	\$ 978,000

<u>DUE DATES</u>	<u>REQUIREMENTS</u>		
	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
September 1, 2004	\$ 21,394	\$ 21,394	
March 1, 2005	32,394	21,394	\$ 11,000
September 1, 2005	21,153	21,153	
March 1, 2006	33,153	21,153	12,000
September 1, 2006	20,891	20,891	
March 1, 2007	32,891	20,891	12,000
September 1, 2007	20,628	20,628	
March 1, 2008	33,628	20,628	13,000
September 1, 2008	20,344	20,344	
March 1, 2009	34,344	20,344	14,000
September 1, 2009	20,038	20,038	
March 1, 2010	34,038	20,038	14,000
September 1, 2010	19,731	19,731	
March 1, 2011	34,731	19,731	15,000
September 1, 2011	19,403	19,403	
March 1, 2012	35,403	19,403	16,000
September 1, 2012	19,053	19,053	
March 1, 2013	35,053	19,053	16,000
September 1, 2013	18,703	18,703	

VILLAGE OF BALDWIN, MICHIGAN  
SANITARY SEWER SYSTEM REVENUE BONDS PAYABLE  
FEBRUARY 29, 2004

<u>DUE DATES</u>	<u>REQUIREMENTS</u>		
	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
March 1, 2014	35,703	18,703	17,000
September 1, 2014	18,331	18,331	
March 1, 2015	36,331	18,331	18,000
September 1, 2015	17,938	17,938	
March 1, 2016	36,938	17,938	19,000
September 1, 2016	17,522	17,522	
March 1, 2017	37,522	17,522	20,000
September 1, 2017	17,084	17,084	
March 1, 2018	38,084	17,084	21,000
September 1, 2018	16,625	16,625	
March 1, 2019	38,625	16,625	22,000
September 1, 2019	16,144	16,144	
March 1, 2020	39,144	16,144	23,000
September 1, 2020	15,641	15,641	
March 1, 2021	39,641	15,641	24,000
September 1, 2021	15,116	15,116	
March 1, 2022	40,116	15,116	25,000
September 1, 2022	14,569	14,569	
March 1, 2023	40,569	14,569	26,000
September 1, 2023	14,000	14,000	
March 1, 2024	42,000	14,000	28,000
September 1, 2024	13,388	13,388	
March 1, 2025	42,388	13,388	29,000
September 1, 2025	12,753	12,753	
March 1, 2026	42,753	12,753	30,000
September 1, 2026	12,097	12,097	
March 1, 2027	44,097	12,097	32,000
September 1, 2027	11,397	11,397	
March 1, 2028	44,397	11,397	33,000
September 1, 2028	10,675	10,675	
March 1, 2029	45,675	10,675	35,000
September 1, 2029	9,909	9,909	
March 1, 2030	46,909	9,909	37,000
September 1, 2030	9,100	9,100	
March 1, 2031	47,100	9,100	38,000
September 1, 2031	8,269	8,269	
March 1, 2032	48,269	8,269	40,000
September 1, 2032	7,394	7,394	

VILLAGE OF BALDWIN, MICHIGANSANITARY SEWER SYSTEM REVENUE BONDS PAYABLE  
FEBRUARY 29, 2004

<u>DUE DATES</u>	<u>REQUIREMENTS</u>		
	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
March 1, 2033	49,394	7,394	42,000
September 1, 2033	6,475	6,475	
March 1, 2034	50,475	6,475	44,000
September 1, 2034	5,513	5,513	
March 1, 2035	51,513	5,513	46,000
September 1, 2035	4,506	4,506	
March 1, 2036	52,506	4,506	48,000
September 1, 2036	3,456	3,456	
March 1, 2037	54,456	3,456	51,000
September 1, 2037	2,341	2,341	
March 1, 2038	55,341	2,341	53,000
September 1, 2038	1,181	1,181	
March 1, 2039	55,181	1,181	54,000
	<u>\$ 1,943,524</u>	<u>\$ 965,524</u>	<u>\$ 978,000</u>

VILLAGE OF BALDWIN, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY TAX INCREMENT BONDS PAYABLE  
FEBRUARY 29, 2004

<u>TITLE OF ISSUE</u>	Tax Increment Bonds-Series 2002
<u>PURPOSE</u>	The Bonds are being issued for the purpose of paying part of the cost of a streetscape project in the Village of Baldwin.
<u>DATE OF ISSUE</u>	April 1, 2002
<u>INTEREST PAYABLE</u>	April 1, and October 1, of Each Year
<u>AMOUNT OF ISSUE</u>	\$ 995,000
<u>AMOUNT REDEEMED</u>	
Current Year	\$ 30,000
Prior Years	<u>30,000</u>
	<u>60,000</u>
<u>BALANCE OUTSTANDING</u>	February 29, 2004 \$ <u>935,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
April 1, 2004		\$ 24,652	\$ 24,652	
October 1, 2004	5.50%	54,652	24,652	\$ 30,000
April 1, 2005		23,827	23,827	
October 1, 2005	5.50%	63,827	23,827	40,000
April 1, 2006		22,727	22,727	
October 1, 2006	5.50%	62,727	22,727	40,000
April 1, 2007		21,627	21,627	
October 1, 2007	5.50%	61,627	21,627	40,000
April 1, 2008		20,527	20,527	
October 1, 2008	5.50%	70,527	20,527	50,000
April 1, 2009		19,152	19,152	
October 1, 2009	5.50%	69,152	19,152	50,000
April 1, 2010		17,777	17,777	
October 1, 2010	5.50%	67,777	17,777	50,000
April 1, 2011		16,402	16,402	
October 1, 2011	5.00%	76,402	16,402	60,000
April 1, 2012		14,902	14,902	
October 1, 2012	5.00%	74,902	14,902	60,000

## VILLAGE OF BALDWIN, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY TAX INCREMENT BONDS PAYABLE  
FEBRUARY 29, 2004

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
April 1, 2013		13,402	13,402	
October 1, 2013	5.00%	73,402	13,402	60,000
April 1, 2014		11,902	11,902	
October 1, 2014	5.10%	81,902	11,902	70,000
April 1, 2015		10,117	10,117	
October 1, 2015	5.15%	80,117	10,117	70,000
April 1, 2016		8,314	8,314	
October 1, 2016	5.20%	78,314	8,314	70,000
April 1, 2017		6,494	6,494	
October 1, 2017	5.25%	86,494	6,494	80,000
April 1, 2018		4,394	4,394	
October 1, 2018	5.30%	84,394	4,394	80,000
April 1, 2019		2,274	2,274	
October 1, 2019	5.35%	87,274	2,274	85,000
		<u>\$ 1,411,980</u>	<u>\$ 476,980</u>	<u>\$ 935,000</u>

DENOMINATIONS

\$5,000 Each, or any Integral Multiple Thereof.

REDEMPTION PRIOR TO MATURITY

The Bonds or portions of the Bonds in multiples of \$5,000 maturing on or after October 1, 2011, are subject to redemption at the option of the Authority in such order as the Authority may determine and by lot within any maturity, on any interest payment date occurring on or after October 1, 2010, at par plus accrued interest to the date fixed for redemption.

Bonds called for redemption on or after October 1, 2010 but prior to October 1, 2012 are subject to a premium of 1/2% of the principal amount of each bond called for redemption.

SECURITY

The bonds are payable solely from the pledged tax increment revenues and a first priority statutory lien has been created on the revenues for the payment of principal and interest on the bonds.

The full faith and credit of the Village has not been pledged to secure repayment of the bonds.

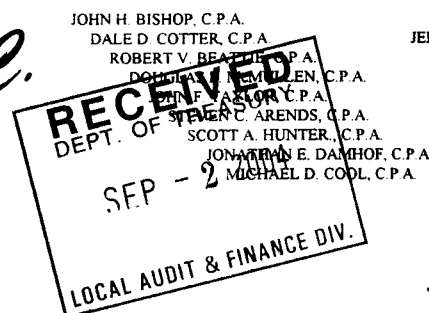


134 WEST HARRIS STREET  
CADILLAC, MICHIGAN 49601  
231-775-9789  
FAX 231-775-9749

M. WAYNE BEATTIE, C.P.A.  
1902 - 1990  
JACK H. BAIRD, C.P.A.  
JERRY L. COTTER, C.P.A.

# *Baird, Cotter and Bishop, P.C.*

CERTIFIED PUBLIC ACCOUNTANTS



June 17, 2004

To the President and Village Council  
Village of Baldwin, Michigan

During the course of our examination of the financial statements and records of the Village of Baldwin, Michigan for the year ended February 29, 2004, we noted the following items which we would like to bring to your attention:

## Personal Property Taxes Receivable

The Village currently has in excess of \$16,000 of delinquent personal property taxes that have remained uncollected from the 1994 through 2003 tax rolls.

The new Village treasurer is now pursuing the collection of these back taxes and we applaud the Village for the efforts in this difficult collection process.

## Downtown Development Authority Budget

The Downtown Development Authority should formally approve a budget on an annual basis that includes anticipated revenues and expenditures for the fiscal year ending February 28 and should amend the budget when it becomes apparent that actual revenues and expenditures will vary from the originally adopted budget. The Authority may wish to utilize a system similar to that employed by the Village in meeting these requirements.

## Water System Improvements

The Village is in the midst of a water system improvement project that is being funded with a federal loan and a grant of over \$5,000,000. The United States Department of Agriculture Rural Development has specific requirements that must be adhered to in relation to this funding.

Specifically, they require the Village to establish and maintain reserves for this loan sufficient to assure that loan installments will be paid on time, for emergency maintenance, for extensions to facilities and for replacement of short-lived assets.

While the Village has established a reserve account with an initial contribution of \$71,000 that will satisfy the reserve requirements in full, none of this money was set aside to meet the requirements for the Repair, Replacement and Improvement Fund which requires an annual deposit of \$15,000 until the reserve account is fully funded and then annual payments of \$22,100 until the loan is paid off.

Since, the Village has opted to fully fund the reserve account in advance, we suggest that you begin funding the Repair, Replacement and Improvement Fund. This fund will require a total of \$30,000 by February 28, 2005 in order to be in compliance with the requirements set forth under this loan.

Volunteer Fire Department Bank Account

The Baldwin Volunteer Fire Department currently has a checking account that is reported under the same federal identification number as the Village. Since, the Baldwin Volunteer Fire Department is organized as a tax exempt entity separate from the Village and maintains its own records we suggest that the checking account be setup under the federal identification number of the Baldwin Volunteer Fire Department rather than the Village in order to avoid confusion as to the custody and accounting for those assets.

GASB 34

The Governmental Accounting Standards Board (GASB) has issued Statement Number 34 which will become effective for the Village for the year ending February 28, 2005.

A major portion of the preparation for the conversion to GASB 34 involves the identification and accumulation of fixed assets that will be capitalized for purposes of this new pronouncement.

We suggest the Village develop a capitalization policy and begin this accumulation process prior to the GASB 34 implementation date on February 28, 2005 and we are available to assist the Village in determining the effect this new pronouncement will have on the Village as well as what the Michigan Department of Treasury will require of the Village related to GASB 34.

We wish to express our appreciation for the cooperation and courtesy extended to our staff by the Village employees during the course of our examination. In addition, we would like to thank the Village Council for giving us this opportunity to serve you. If you have any questions relative to the preceding comments and recommendations or other areas of your annual audit, please feel free to call on us.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.